



**NOTICE OF
REGULAR MEETING OF THE TOWN COUNCIL
HICKORY CREEK TOWN HALL
1075 RONALD REAGAN AVENUE, HICKORY CREEK, TEXAS 75065
TUESDAY, MAY 21, 2019, 6:30 PM**

AGENDA

Call to Order

Roll Call

Pledge of Allegiance to the U.S. And Texas Flags

Invocation

Presentation of Awards

1. 2018 Citizen of the Year
2. Susan Irwin

Items of Community Interest

Pursuant to Texas Government Code Section 551.0415 the Town Council may report on the following: expressions of thanks, congratulations, or condolence; an honorary or salutary recognition of an individual; a reminder about an upcoming event organized or sponsored by the governing body; and announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda.

Public Comment

This item allows the public an opportunity to address the Town Council. To comply with the provisions of the Open Meetings Act, the Town Council cannot discuss or take action on items brought before them not posted on the agenda. Please complete a request if you wish to address the Town Council. Comments will be limited to three minutes.

Public Hearing

3. Public Hearing: To hear public opinion regarding a request from KSW Holding Hickory Creek, LP to designate the zoning as PD Planned Development on two (2) tracts of land legally described as A1120A H.H. Swisher 50, 5.0 acres and TR 50A(1)(PT), 33.8629 acres, Town of Hickory Creek, Denton County, Texas. The properties are located in the 1800 Block of Turbeville Road.

4. Public Hearing: To hear public opinion regarding the voluntary annexation of a 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas.
5. Public Hearing: To hear public opinion regarding the creation of the Hickory Farms Public Improvement District.

Consent Agenda

Items on the Consent Agenda are considered to be self-explanatory and will be enacted with one motion. No separate discussion of these items will occur unless so requested by at least one member of the Town Council.

- [6.](#) April 2019 Council Meeting Minutes
- [7.](#) April 2019 Financial Statements
- [8.](#) Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, nominating one candidate to a slate of nominees for the board of managers of the Denco area 9-1-1 District.
- [9.](#) Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute a First Amendment to an Interlocal Agreement for services by and between the Town of Hickory Creek, Texas and Span, Inc., and providing an effective date.

Regular Agenda

- [10.](#) Interviews for various boards and commissions.
- [11.](#) Consider and act on a final plat of Folly Beach Addition, Lots 1 and 2, Block A, being 0.53 acres of land situated in the Lowery Cobb Survey, Abstract No. 284, Town of Hickory Creek, Denton County, Texas. The property is located at 108 Folly Beach Road in the extraterritorial jurisdiction.
- [12.](#) Consider and act on appointments to Board of Adjustments.
- [13.](#) Consider and act on appointments to the Code of Ethics Board.
- [14.](#) Consider and act on appointments to the Parks and Recreation Board.
- [15.](#) Consider and act on appointments to the Planning and Zoning Commission.
- [16.](#) Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending as heretofore amended, its comprehensive zoning ordinance, and amending the official zoning map of the Town by designating certain tracts of land legally described as A1120A H.H. Swisher TR 50, 5.0 acres and TR 50A (1) (PT) of land being more particularly described in Exhibit "A," attached hereto and incorporated herein; as PD (Planned Development); providing that such tracts of land shall be used in accordance with the applicable requirements of the comprehensive zoning ordinance and all other applicable ordinances of the Town; providing that the zoning map shall reflect the Planned Development Zoning District designation for the subject property; providing a preliminary

site plan; providing development standards; providing a cumulative clause; providing a penalty not to exceed the sum of two thousand dollars (\$2,000.00) for each offense and a separate offense shall be deemed committed each day during or on which a violation occurs or continues; providing for the Town of Hickory Creek to bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity; providing for publication; providing for engrossment and enrollment; and providing an effective date.(KSW Holding Hickory Creek, L.P.)

- [17.](#) Consider and act on an ordinance annexing the hereinafter described territory to Town of Hickory Creek, Denton County, Texas, and extending the boundary limits of said Town so as to include a certain 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas within said town limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of the town; adopting a service plan; and providing an effective date.(MM Hickory Creek 24, LLC.)
- [18.](#) Consider and act on a resolution regarding the creation of a public improvement district and ordering public improvements to be made for the benefit of such district; providing for a severability clause; providing an effective date; and containing other matters relating to the subject.
- [19.](#) Consider and act on a resolution of the Town of Hickory Creek, Texas determining the costs of certain authorized improvements to be financed by the Hickory Farms Public Improvement District; approving the Hickory Farms Public Improvement District Preliminary Service And Assessment Plan, including proposed assessment roll; directing the filing of the proposed assessment roll with the Town Secretary; calling a public hearing to consider an ordinance levying assessments on property located within the hickory farms public improvement district; directing the town staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto.
- [20.](#) Consider and act on a resolution approving the form and authorizing the distribution of a preliminary limited offering memorandum for "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)"
- [21.](#) Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute an agreement services by and between the Town of Hickory Creek, Texas and Allstar Watersports; and providing an effective date.
- [22.](#) Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute an agreement services by and between the Town of Hickory Creek, Texas and Watertoyz, LLC; and providing an effective date.
- [23.](#) Consider and act on a request from the City of Lake Dallas regarding the de-annexation of three properties legally described as A0284A Cobb, TR 63(PT), 0.3241 Acres; TR 63 (ROW), 0.2159 Acres; and TR 64,0.2066.
- [24.](#) Consider and act on a request from the City of Lake Dallas to increase Hickory Creek's contribution for the 2019 Lake Cities 4th of July Celebration.

25. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, amending Article 1.10 Parks and Recreation; Article 4.04 Wrecker Service; Article 4.05 Alcoholic Beverages; Article A2.000 Business Related Fees; providing for incorporation of premises; providing findings; providing for amendment to the code of ordinances; providing a cumulative repealer clause; providing for savings; providing for severability; providing for penalty; providing for publication; providing for engrossment and enrollment; and providing and effective date.
26. Discuss development of new home occupation standards for residential districts and provide direction to staff concerning same.
27. Discussion regarding current road and sidewalk projects.

Executive Session

The Town Council will convene into executive session pursuant to Texas Government Code Section 551.071, Consultation with Attorney on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation and Section 551.072 to deliberate the purchase, exchange, lease or value of real property.

28. Point Vista Addition Blk 1 Lot 3
29. Lakeview at Point Vista Phase 2 Blk J Lot 57
30. Sycamore Bend Road DCAD Property ID 62347
31. Sycamore Bend Road DCAD Property ID 62366
32. Sycamore Bend Road DCAD Property ID 62372

Reconvene into Open Session

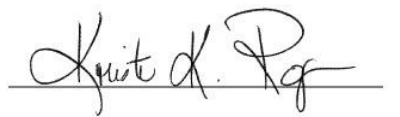
33. Discussion and possible action regarding matters discussed in executive session.

Adjournment

The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Chapter 551.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact Town Hall at 940-497-2528 or by fax 940-497-3531 so that appropriate arrangements can be made.

I, Kristi Rogers, Town Secretary, for the Town of Hickory Creek certify that this meeting notice was posted on the bulletin board at Town Hall, 1075 Ronald Reagan Avenue, Hickory Creek, Texas on May 17, 2019 at 11:00 a.m.

A handwritten signature in black ink, reading "Kristi Rogers", is positioned above a horizontal line.

Kristi Rogers, Town Secretary
Town of Hickory Creek

Item Attachment Documents:

6. April 2019 Council Meeting Minutes

**REGULAR MEETING OF THE TOWN COUNCIL
HICKORY CREEK TOWN HALL
1075 RONALD REAGAN, HICKORY CREEK, TEXAS
TUESDAY, APRIL 16, 2019**

MINUTES

Call to Order

“Mayor for a Day” Evan Jones called the meeting to order at 6:30 p.m.

Roll Call

The following members were present:

Mayor Lynn Clark

Councilmember Tracee Elrod

Councilmember Chris Gordon

Mayor Pro Tem Paul Kenney

Councilmember Ian Theodore

The following member was absent:

Councilmember Richard DuPree

Also in attendance:

John M. Smith, Jr., Town Administrator

Kristi K. Rogers, Town Secretary

Trey Sargent, Town Attorney

Pledge of Allegiance to the U.S. And Texas Flags

“Mayor for a Day” Evan Jones led the Pledge of Allegiance to the U.S. and Texas Flags.

Invocation

Mayor Pro Tem Kenney gave the invocation.

Presentation of Awards

1. 2018 Business of the Year

Mayor Clark presented the 2018 Business of the Year award to AMC Classic Hickory Creek 16.

2. 2018 Scholars of the Year

Mayor Clark presented the 2018 Scholars of the Year awards to Amanda Lawrence and Gratzelly Marquez.

3. 2018 Sportsman of the Year

Mayor Clark presented the 2018 Sportsman of the Year award to Hayden Brockenbush.

Town Council Meeting Minutes

April 16, 2019

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4. 2018 Sportswoman of the Year

Mayor Clark presented the 2018 Sportswoman of the Year award to Mercedes Zaragoza.

5. Susan Irwin

Susan Irwin was not in attendance.

6. Andrew Bingham

Mayor Clark presented a plaque of appreciation to Andrew Bingham for completion of his Eagle Scout project in Sycamore Bend Park.

7. David Pellecchia

Mayor Clark presented a plaque of appreciation to David Pellecchia for completion of his Eagle Scout project in Sycamore Bend Park.

Proclamations

8. May 2019 as Motorcycle Safety and Awareness

Mayor Clark proclaimed May 2019 as Motorcycle Safety & Awareness Month in the Town of Hickory Creek.

9. "Mayor for a Day," Evan Jones

Mayor Clark congratulated and recognized Evan Jones as Hickory Creek "Mayor for a Day."

Items of Community Interest

Hickory Creek Master Parks Plan Visioning Session will be held on April 17, 2019 at 6:30 p.m., weather permitting. Residents are encouraged to attend and provide their input.

Board member training will be held at town hall on April 22, 2019 at 6:00 p.m.

Chief Dunn was recognized for the new design of two patrol vehicles.

Lake Cities Serve will be held on May 18, 2019. Volunteers are needed to serve the elderly, disabled and widowed that need assistance with painting, lawn care, home maintenance and minor repairs.

The Town of Hickory Creek is committed to the U.S. Census Bureau 2020 and ensuring every resident is counted.

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Public Comment

Diane Ciarloni, 28 Arrowhead Circle, stated she has lived in Hickory Creek for thirty years. Originally when she moved here she did not want a Home Owner's Association determining what three colors she could paint her front door. She has since realized that without a HOA, it is imperative for the town council to regularly review ordinances and code enforcement to enforce the ordinances consistently. The only thing standing between pride of ownership and a neighborhood that starts to look and smell like a tenement, is the town council and code enforcement.

Gary Long, 2 Arrowhead Circle, stated he moved to Hickory Creek three months ago and appreciates anything that could be done regarding the upkeep of the neighborhood. He and his wife are contributing, cleaning bags and bags of trash behind their home adjacent to the Corps of Engineers property line.

Reid Anderson, 4 Arrowhead Circle, stated he has lived in Hickory Creek for twenty five years. He takes pride in his home that was built in 1982 and has spent \$70,000.00 throughout the years, making upgrades to maintain the property. It hurts his heart to know there is nothing he can do about the neighbor's yard washing onto the sidewalk he walks through every morning walking his dog or the neighbor's yard that has more bull thistle than grass in the front yard when the seeds blow into his yard. People in the neighborhood are parking illegally, not cutting their grass or painting the outside of their homes. Code compliance citations should be issued.

Gay Martin, 8 Arrowhead Circle, stated for years she has taken it upon herself to weed areas in her neighborhood because it looks so bad. She doesn't understand how a vehicle could be parked illegally for eleven months without receiving a citation. Please help with the upkeep of the neighborhood through code enforcement.

Consent Agenda

10. March 2019 Council Meeting Minutes
11. March 2019 Financial Statements
12. Resolution designating AMC Classic Hickory Creek 16 as the 2018 Business of the Year.
13. Resolution designating Mark Tucker as the 2018 Citizen of the Year.
14. Resolution designating Amanda Lawrence and Gratzelly Marquez as the 2018 Scholars of the Year.
15. Resolution designating Hayden Brockenbush as the 2018 Sportsman of the Year.
16. Resolution designating Mercedes Zaragoza as the 2018 Sportswoman of the Year.
17. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, supporting the U.S. Census Bureau 2020.

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Motion made by Councilmember Gordon to approve consent agenda items 10 through 17 as presented, Seconded by Councilmember Elrod.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

Regular Agenda

18. Consider and act on a request from the City of Lake Dallas regarding the de-annexation of three properties legally described as A0284A Cobb, TR 63(PT), 0.3241 Acres; TR 63 (ROW), 0.2159 Acres; and TR 64, 0.2066.

John Cabrales, City Manager, City of Lake Dallas, provided information regarding the request. A proposed development in the City of Lake Dallas would cross over into the town limits of Hickory Creek. Lake Dallas would like for the town council to consider the realignment of the city/town limits to regulate the development in order to address ingress/egress, lighting signage and landscaping. Further discussions were held regarding the request.

No action was taken.

19. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, to accept a petition for voluntary annexation of a 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas.

Motion made by Councilmember Theodore to approve the resolution as presented, Seconded by Councilmember Gordon.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

20. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, setting a date, time and place for public hearings of the voluntary annexation of a 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas.

Motion made by Councilmember Elrod to approve the resolution as presented and setting the public hearings for May 7, 2019 at 5:30 p.m. and May 21, 2019 at 6:30 p.m., Seconded by Councilmember Gordon.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

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21. Consider and act on a resolution accepting a petition and setting a public hearing for the creation of the Hickory Farms Public Improvement District within the extraterritorial jurisdiction of the Town of Hickory Creek, Texas; and authorizing the issuance of notice by the town secretary of Hickory Creek, Texas regarding the public hearing.

Motion made by Councilmember Gordon to approve a resolution accepting a petition and setting a public hearing for May 21, 2019 at 6:30 p.m., Seconded by Councilmember Theodore.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

22. Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement by and between the Town of Hickory Creek, Texas and Integra Realty Resources.

Motion made by Councilmember Gordon to approve a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute an agreement by and between the Town of Hickory Creek, Texas and Integra Realty Resources, Seconded by Councilmember Elrod.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

23. Consider and act on allocating additional funds, location and design for gateway monument signage.

Tim May, Halff Engineering, provided an overview to council regarding gateway monument signage. Three designs and potential locations were presented.

Motion made by Councilmember Gordon to approve the location of a primary monument at the jug handle intersection, design one, Seconded by Councilmember Theodore.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Councilmember Theodore
Voting Nay: Mayor Pro Tem Kenney. Motion passed.

24. Consider and act on an ordinance providing for the annexation into the Town of Hickory Creek, Texas of territory more specifically described herein and comprising approximately 38.8629 acres of land situated in the H.H. Swisher Survey, Abstract 1120, TR 50 and TR 50A(1)(PT), Denton County, Texas, for all municipal purposes.

Motion made by Councilmember Theodore to approve an ordinance for the annexation into the Town of Hickory Creek as presented, Seconded by Councilmember Gordon.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

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25. Consider and act on a resolution authorizing the Mayor of the Town of Hickory Creek, Texas to execute a development agreement by and between the Town of Hickory Creek, Texas and KSW Holding Hickory Creek, LP.

No action taken.

26. Consider and act on a resolution hereby authorizing the Town Administrator of the Town of Hickory Creek, Texas to obtain and secure electric rates and execute necessary documents.

Motion made by Mayor Pro Tem Kenney to approve a resolution authorizing the Town Administrator of the Town of Hickory Creek, Texas to obtain and secure electric rates and execute necessary documents, Seconded by Councilmember Theodore.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

27. Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending the Town's Code of Ordinances, Chapter 1: General Provisions, Article 1.07 Boards and Commissions.

Motion made by Councilmember Gordon to approve an ordinance of the Town Council of Hickory Creek, Texas, amending the Town's Code of Ordinances, Chapter 1: General Provisions, Article 1.07 Boards and Commissions as presented, Seconded by Councilmember Elrod.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

28. Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending the Town's Code of Ordinances, Chapter 14: Zoning; Article XXXII, Board of Adjustment; Article XXXIII, Penalty for Violations; Article XXXIV Amendments; Article XXXV, Validity; Article XXXVI Effective Date and Emergency Declared.

Motion made by Councilmember Theodore to approve the ordinance as presented, Seconded by Councilmember Elrod.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

29. Discussion regarding Parks, Recreation and Open Space Master Plan.

John Smith, town administrator, provided an overview to council regarding Parks, Recreation and Open Space Master Plan.

30. Discussion regarding current road and sidewalk projects.

John Smith, town administrator, provided an overview to council regarding current road and sidewalk projects.

Town Council Meeting Minutes

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Executive Session

The Town Council convened into executive session at 8:52 p.m. pursuant to Texas Government Code Section 551.071, Consultation with Attorney on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, or on matters pertaining to pending or contemplated litigation; Section 551.072 to deliberate the purchase, exchange, lease or value of real property; Section 551.074 Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; and Section 551.087, Deliberation regarding Economic Development Negotiations, to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the government body seeks to have locate, stay or expand in or near the territory of the government body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

31. Town Attorney
32. Discussion regarding potential economic development agreement related to property located at 1851 Turbeville Road.
33. Discussion regarding certain real property legally described as A1163A J.W. Simmons, TR 37, 19.795 Acres located (South of Swisher Road, East of Ronald Reagan Avenue, North of Turbeville Road and West of Point Vista Road.)
34. Discussion regarding the purchase of tracts of land totaling approximately 7.6 acres.

Reconvene into Open Session

The Town Council reconvened into open session at 10:48 p.m.

35. Discussion and possible action regarding matters discussed in executive session.

Motion made by Councilmember Gordon to approve a resolution appointing Trey Sargent as town attorney, Seconded by Councilmember Elrod.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

Adjournment

Motion made by Councilmember Elrod to adjourn the meeting, Seconded by Councilmember Gordon.

Voting Yea: Councilmember Elrod, Councilmember Gordon, Mayor Pro Tem Kenney, Councilmember Theodore. Motion passed unanimously.

The meeting did then stand adjourned at 11:15 p.m.

Town Council Meeting Minutes
April 16, 2019
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Approved:

Attest:

Lynn C. Clark, Mayor
Town of Hickory Creek

Kristi K. Rogers, Town Secretary
Town of Hickory Creek

Item Attachment Documents:

7. April 2019 Financial Statements

Town of Hickory Creek
Balance Sheet
As of April 30, 2019

	<u>Apr 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
BOA - Animal Shelter Fund	18,836.26
BOA - Drug Forfeiture	1,948.99
BOA - Drug Seizure	2,849.37
BOA - General Fund	29,758.66
BOA - Parks and Recreation	135,674.10
BOA - Payroll	37,423.26
BOA - Police State Training	5,178.56
Logic Animal Shelter Facility	9,363.72
Logic Harbor Ln-Sycamore Bend	3,264.83
Logic Investment Fund	4,477,188.90
Logic Street & Road Improvement	558,356.31
Logic Turbeville Road	210,053.75
Total Checking/Savings	<u>5,489,896.71</u>
Accounts Receivable	
Municipal Court Payments	<u>5,024.20</u>
Total Accounts Receivable	<u>5,024.20</u>
Total Current Assets	<u>5,494,920.91</u>
TOTAL ASSETS	<u>5,494,920.91</u>
LIABILITIES & EQUITY	0.00

Town of Hickory Creek
Profit & Loss
April 2019

	<u>Apr 19</u>
Ordinary Income/Expense	
Income	
Ad Valorem Tax Revenue	
4002 M&O	3,636.71
4004 M&O Penalties & Interest	248.26
4006 Delinquent M&O	22.33
4008 I&S Debt Service	2,561.82
4010 I&S Penalties & Interest	174.33
4012 Delinquent I&S	11.09
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Total Ad Valorem Tax Revenue	6,654.54
Building Department Revenue	
4102 Building Permits	12,937.38
4104 Certificate of Occupancy	300.00
4106 Contractor Registration	450.00
4124 Sign Permits	970.00
4126 Special Use Permit	5.00
4132 Alarm Permit Fees	100.00
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Total Building Department Revenue	14,762.38
Franchise Fee Revenue	
4208 CoServ	1,205.86
4210 Oncor Electric	331.74
4212 Waste Management	11,228.25
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Total Franchise Fee Revenue	12,765.85
Interest Revenue	
4302 Animal Shelter Interest	20.74
4308 Drug Forfeiture Interest	0.08
4310 Drug Seizure Interest	0.12
4314 Logic Investment Interest	9,565.90
4320 Logic Street/Road Improv.	1,183.25
4322 Logic Turbeville Road	445.15
4326 PD State Training Interest	0.21
4328 Logic Harbor/Sycamore Bend	6.90
	<hr/>
Total Interest Revenue	11,222.35
Miscellaneous Revenue	
4502 Animal Adoption & Impound	1,945.00
4508 Annual Park Passes	2,979.95
4510 Arrowhead Park Fees	3,724.00
4530 Other Receivables	8,830.47
4536 Point Vista Park Fees	550.00
4550 Sycamore Bend Fees	2,278.00
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Total Miscellaneous Revenue	20,307.42
Municipal Court Revenue	
4602 Building Security Fee	717.00
4604 Citations	36,322.57
4606 Court Technology Fee	956.00

Town of Hickory Creek
Profit & Loss
April 2019

	<u>Apr 19</u>
4612 State Court Costs	17,417.12
4614 Child Safety Fee	25.00
Total Municipal Court Revenue	55,437.69
Sales Tax Revenue	
4702 Sales Tax General Fund	83,022.06
4706 Sales Tax 4B Corporation	27,674.02
4708 Sales Tax Mixed Beverage	230.28
Total Sales Tax Revenue	110,926.36
Total Income	232,076.59
Gross Profit	232,076.59
Expense	
Capital Outlay	
5010 Street Maintenance	-1,119.39
5012 Streets & Road Improvement	805.92
5022 Parks and Rec Improvements	4,460.00
5024 Public Safety Improvements	18,566.64
5028 Turbeville/Point Vista	90,259.26
Total Capital Outlay	112,972.43
General Government	
5206 Computer Hardware/Software	112.86
5208 Copier Rental	263.05
5210 Dues & Memberships	1,274.00
5212 EDC Tax Payment	18,875.24
5216 Volunteer/Staff Events	593.79
5218 General Communications	2,040.66
5222 Office Supplies & Equip.	190.92
5224 Postage	394.47
5226 Community Cause	577.34
5228 Town Council/Board Expense	318.94
5230 Training & Education	375.00
5234 Staff Uniforms	762.94
Total General Government	25,779.21
Municipal Court	
5304 Building Security	184.93
5312 Court Technology	219.60
5318 Merchant Fees/Credit Cards	-40.87
5322 Office Supplies/Equipment	481.67
5324 State Court Costs	51,624.12
5326 Training & Education	200.00
5328 Travel Expense	52.29
5332 Warrants Collected	4,187.73
Total Municipal Court	56,909.47
Parks and Recreation	
5402 Events	200.00

Town of Hickory Creek

Profit & Loss

April 2019

	Apr 19
5408 Tanglewood Park	43.92
5412 KHCB	373.70
Total Parks and Recreation	617.62
Parks Corps of Engineer	
5432 Arrowhead	428.87
5434 Harbor Grove	194.29
5436 Point Vista	211.57
5438 Sycamore Bend	1,412.46
Total Parks Corps of Engineer	2,247.19
Personnel	
5502 Administration Wages	21,779.34
5504 Municipal Court Wages	13,094.32
5506 Police Wages	48,169.85
5507 Police Overtime Wages	1,003.68
5508 Public Works Wages	13,911.65
5509 Public Works Overtime Wage	37.44
5510 Health Insurance	16,050.39
5514 Payroll Expense	1,482.91
5516 Employment Exams	885.00
5518 Retirement (TMRS)	11,729.21
Total Personnel	128,143.79
Police Department	
5602 Auto Gas & Oil	1,898.90
5606 Auto Maintenance & Repair	3,933.22
5610 Books & Subscriptions	65.65
5612 Computer Hardware/Software	694.69
5614 Crime Lab Analysis	195.00
5626 Office Supplies/Equipment	107.00
5630 Personnel Equipment	1,426.10
5634 Travel Expense	680.74
5636 Uniforms	3,606.45
5640 Training & Education	1,240.00
5648 K9 Unit	29.22
Total Police Department	13,876.97
Public Works Department	
5708 Animal Control Vet Fees	601.38
5710 Auto Gas & Oil	1,027.85
5714 Auto Maintenance/Repair	1,064.69
5716 Beautification	4,473.58
5724 Equipment Maintenance	365.15
5728 Equipment Supplies	1,185.29
5734 Radios	420.15
5738 Training	150.00
5742 Uniforms	186.97
5748 Landscaping Services	2,466.72

Town of Hickory Creek
Profit & Loss
April 2019

	<u>Apr 19</u>
Total Public Works Department	11,941.78
Services	
5804 Attorney Fees	3,584.60
5812 Document Management	73.19
5814 Engineering	1,545.05
5818 Inspections	3,568.00
5822 Legal Notices/Advertising	558.10
5824 Library Services	25.00
5826 Municipal Judge	960.00
5828 Printing	367.68
Total Services	10,681.62
Utilities & Maintenance	
5902 Bldg Maintenance/Supplies	7,875.36
5904 Electric	2,676.48
5906 Gas	225.44
5908 Street Lighting	2,900.28
5910 Telephone	3,589.76
5912 Water	909.48
Total Utilities & Maintenance	18,176.80
Total Expense	381,346.88
Net Ordinary Income	-149,270.29
Net Income	<u><u>-149,270.29</u></u>

Budget vs. Actual Year to Date 58.31%

October 2018 through April 2019

	Oct '18 - Apr 19	Budget	% of Budget
Ordinary Income/Expense			
Income			
Ad Valorem Tax Revenue			
4002 M&O	1,131,999.59	1,152,558.00	98.2%
4004 M&O Penalties & Interest	2,231.48	5,000.00	44.6%
4006 Delinquent M&O	7,071.90	3,500.00	202.1%
4008 I&S Debt Service	795,237.37	809,318.00	98.3%
4010 I&S Penalties & Interest	932.11	3,000.00	31.1%
4012 Delinquent I&S	5,955.69	2,500.00	238.2%
Total Ad Valorem Tax Revenue	1,943,428.14	1,975,876.00	98.4%
Building Department Revenue			
4102 Building Permits	155,631.54	225,000.00	69.2%
4104 Certificate of Occupancy	1,875.00	2,000.00	93.8%
4106 Contractor Registration	2,475.00	4,000.00	61.9%
4108 Preliminary/Final Plat	520.00	520.00	100.0%
4110 Prelim/Final Site Plan	0.00	0.00	0.0%
4112 Health Inspections	8,740.00	8,740.00	100.0%
4122 Septic Permits	0.00	850.00	0.0%
4124 Sign Permits	2,825.00	2,400.00	117.7%
4126 Special Use Permit	5.00	200.00	2.5%
4128 Variance Fee	250.00	500.00	50.0%
4130 Vendor Fee	75.00	200.00	37.5%
4132 Alarm Permit Fees	550.00	800.00	68.8%
Total Building Department Revenue	172,946.54	245,210.00	70.5%
Franchise Fee Revenue			
4202 Atmos Energy	0.00	30,000.00	0.0%
4204 Charter Communications	21,324.36	42,500.00	50.2%
4206 CenturyLink	1,359.84	2,500.00	54.4%
4208 CoServ	3,753.35	4,200.00	89.4%
4210 Oncor Electric	144,600.76	144,269.00	100.2%
4212 Waste Management	22,688.11	40,000.00	56.7%
Total Franchise Fee Revenue	193,726.42	263,469.00	73.5%
Interest Revenue			
4302 Animal Shelter Interest	142.08	100.00	142.1%
4308 Drug Forfeiture Interest	0.76	1.00	76.0%
4310 Drug Seizure Interest	0.19	0.00	100.0%
4314 Logic Investment Interest	58,728.61	48,000.00	122.4%
4320 Logic Street/Road Improv.	8,465.41	8,700.00	97.3%
4322 Logic Turbeville Road	3,042.15	3,500.00	86.9%
4326 PD State Training Interest	1.50	2.00	75.0%
4328 Logic Harbor/Sycamore Bend	47.24	35.00	135.0%
Total Interest Revenue	70,427.94	60,338.00	116.7%
Interlocal Revenue			
4402 Corp Contract Current Year	0.00	34,000.00	0.0%
Total Interlocal Revenue	0.00	34,000.00	0.0%
Miscellaneous Revenue			
4502 Animal Adoption & Impound	7,950.00	6,500.00	122.3%
4506 Animal Shelter Donations	309.00	1,000.00	30.9%
4508 Annual Park Passes	14,032.61	20,000.00	70.2%
4510 Arrowhead Park Fees	11,670.00	18,000.00	64.8%
4512 Beer & Wine Permit	0.00	60.00	0.0%
4516 Corp Parks Prior Year Rev	0.00	0.00	0.0%

Budget vs. Actual Year to Date 58.31%

October 2018 through April 2019

	Oct '18 - Apr 19	Budget	% of Budget
4518 Drug Forfeiture	0.00	0.00	0.0%
4520 Drug Seizure	2,849.00	2,849.00	100.0%
4522 EDCPayment/Ronald Reagan	0.00	45,778.00	0.0%
4524 Fund Balance Reserve	0.00	697,844.32	0.0%
4526 Mineral Rights	0.00	300.00	0.0%
4528 NSF Fees	0.00	50.00	0.0%
4530 Other Receivables	49,241.26	48,000.00	102.6%
4534 PD State Training	1,252.68	1,252.68	100.0%
4536 Point Vista Park Fees	996.00	5,000.00	19.9%
4546 Street Bond Proceeds	0.00	452,713.00	0.0%
4550 Sycamore Bend Fees	7,733.75	15,000.00	51.6%
4554 Building Security Fund Res	0.00	23,400.00	0.0%
4556 Court Tech Fund Reserve	0.00	3,525.00	0.0%
4558 Harbor Lane/Sycamore Bend	0.00	0.00	0.0%
Total Miscellaneous Revenue	96,034.30	1,341,272.00	7.2%
Municipal Court Revenue			
4602 Building Security Fee	4,901.63	8,400.00	58.4%
4604 Citations	260,025.70	525,000.00	49.5%
4606 Court Technology Fee	6,460.51	11,025.00	58.6%
4612 State Court Costs	119,444.21	199,500.00	59.9%
4614 Child Safety Fee	400.00	1,000.00	40.0%
Total Municipal Court Revenue	391,232.05	744,925.00	52.5%
Sales Tax Revenue			
4702 Sales Tax General Fund	626,374.05	1,143,750.00	54.8%
4706 Sales Tax 4B Corporation	219,367.05	381,250.00	57.5%
4708 Sales Tax Mixed Beverage	230.28	0.00	100.0%
Total Sales Tax Revenue	845,971.38	1,525,000.00	55.5%
Total Income	3,713,766.77	6,190,090.00	60.0%
Gross Profit	3,713,766.77	6,190,090.00	60.0%
Expense			
Capital Outlay			
5010 Street Maintenance	6,348.75	50,000.00	12.7%
5012 Streets & Road Improvement	461,807.29	452,713.00	102.0%
5022 Parks and Rec Improvements	12,960.00	125,000.00	10.4%
5024 Public Safety Improvements	170,303.28	400,000.00	42.6%
5026 Fleet Purchase/Replacement	102,672.84	105,000.00	97.8%
5028 Turbeville/Point Vista	112,472.68	200,000.00	56.2%
Total Capital Outlay	866,564.84	1,332,713.00	65.0%
Debt Service			
5106 2012 Refunding Bond Series	10,028.19	150,086.00	6.7%
5108 2012 Tax Note Series	943.89	116,910.00	0.8%
5110 2015 Refunding Bond Series	59,650.00	314,300.00	19.0%
5112 2015 C.O. Series	61,900.00	273,800.00	22.6%
Total Debt Service	132,522.08	855,096.00	15.5%
General Government			
5202 Bank Service Charges	12.00	50.00	24.0%
5204 Books & Subscriptions	0.00	400.00	0.0%
5206 Computer Hardware/Software	9,460.96	15,500.00	61.0%
5208 Copier Rental	2,457.98	3,900.00	63.0%
5210 Dues & Memberships	1,940.90	2,500.00	77.6%

Town of Hickory Creek
Budget vs. Actual Year to Date 58.31%
October 2018 through April 2019

	Oct '18 - Apr 19	Budget	% of Budget
5212 EDC Tax Payment	249,587.94	381,250.00	65.5%
5214 Election Expenses	0.00	0.00	0.0%
5216 Volunteer/Staff Events	4,929.03	8,000.00	61.6%
5218 General Communications	9,020.70	22,000.00	41.0%
5222 Office Supplies & Equip.	1,686.73	2,000.00	84.3%
5224 Postage	2,442.58	4,500.00	54.3%
5226 Community Cause	2,848.49	4,000.00	71.2%
5228 Town Council/Board Expense	4,119.17	6,000.00	68.7%
5230 Training & Education	774.50	2,000.00	38.7%
5232 Travel Expense	428.35	1,500.00	28.6%
5234 Staff Uniforms	762.94	1,000.00	76.3%
Total General Government	290,472.27	454,600.00	63.9%
Municipal Court			
5302 Books & Subscriptions	0.00	75.00	0.0%
5304 Building Security	1,246.07	31,800.00	3.9%
5312 Court Technology	1,809.89	14,550.00	12.4%
5314 Dues & Memberships	75.00	200.00	37.5%
5318 Merchant Fees/Credit Cards	5.22	500.00	1.0%
5322 Office Supplies/Equipment	1,763.45	1,800.00	98.0%
5324 State Court Costs	170,202.06	199,500.00	85.3%
5326 Training & Education	400.00	500.00	80.0%
5328 Travel Expense	89.41	500.00	17.9%
5332 Warrants Collected	-271.91	0.00	100.0%
Total Municipal Court	175,319.19	249,425.00	70.3%
Parks and Recreation			
5402 Events	1,169.46	2,500.00	46.8%
5408 Tanglewood Park	1,255.73	2,500.00	50.2%
5412 KHCB	592.63	1,000.00	59.3%
5414 Tree City USA	4,441.75	11,500.00	38.6%
5416 Town Hall Park	0.00	500.00	0.0%
Total Parks and Recreation	7,459.57	18,000.00	41.4%
Parks Corps of Engineer			
5432 Arrowhead	8,045.42	8,500.00	94.7%
5434 Harbor Grove	2,202.52	4,000.00	55.1%
5436 Point Vista	2,236.59	4,500.00	49.7%
5438 Sycamore Bend	14,347.15	35,000.00	41.0%
Total Parks Corps of Engineer	26,831.68	52,000.00	51.6%
Personnel			
5502 Administration Wages	163,347.32	281,875.00	58.0%
5504 Municipal Court Wages	72,643.23	114,565.00	63.4%
5506 Police Wages	346,978.66	674,215.00	51.5%
5507 Police Overtime Wages	6,185.75	8,000.00	77.3%
5508 Public Works Wages	103,919.53	174,985.00	59.4%
5509 Public Works Overtime Wage	740.99	1,600.00	46.3%
5510 Health Insurance	88,163.68	170,000.00	51.9%
5512 Longevity	10,688.00	10,688.00	100.0%
5514 Payroll Expense	12,755.27	18,000.00	70.9%
5516 Employment Exams	1,890.00	2,000.00	94.5%
5518 Retirement (TMRS)	94,446.15	138,100.00	68.4%
5520 Unemployment (TWC)	293.93	2,000.00	14.7%
5522 Workman's Compensation	25,353.58	25,354.00	100.0%
Total Personnel	927,406.09	1,621,382.00	57.2%

Budget vs. Actual Year to Date 58.31%

October 2018 through April 2019

	Oct '18 - Apr 19	Budget	% of Budget
Police Department			
5602 Auto Gas & Oil	13,383.04	25,000.00	53.5%
5606 Auto Maintenance & Repair	22,234.80	25,000.00	88.9%
5610 Books & Subscriptions	146.91	500.00	29.4%
5612 Computer Hardware/Software	19,307.33	38,000.00	50.8%
5614 Crime Lab Analysis	-996.81	2,000.00	-49.8%
5616 Drug Forfeiture	0.00	0.00	0.0%
5618 Dues & Memberships	233.82	400.00	58.5%
5626 Office Supplies/Equipment	641.50	1,500.00	42.8%
5630 Personnel Equipment	3,831.46	7,000.00	54.7%
5634 Travel Expense	1,369.23	2,500.00	54.8%
5636 Uniforms	7,184.95	6,000.00	119.7%
5640 Training & Education	6,371.10	10,000.00	63.7%
5644 Citizens on Patrol	0.00	200.00	0.0%
5646 Community Outreach	315.01	750.00	42.0%
5648 K9 Unit	1,315.76	3,000.00	43.9%
Total Police Department	75,338.10	121,850.00	61.8%
Public Works Department			
5702 Animal Control Donation	0.00	1,000.00	0.0%
5704 Animal Control Equipment	589.83	600.00	98.3%
5706 Animal Control Supplies	334.64	1,000.00	33.5%
5708 Animal Control Vet Fees	3,642.96	5,000.00	72.9%
5710 Auto Gas & Oil	8,557.69	12,500.00	68.5%
5714 Auto Maintenance/Repair	16,134.87	15,000.00	107.6%
5716 Beautification	9,064.58	110,000.00	8.2%
5718 Computer Hardware/Software	595.00	750.00	79.3%
5720 Dues & Memberships	110.00	350.00	31.4%
5722 Equipment	89,630.83	93,700.00	95.7%
5724 Equipment Maintenance	6,871.30	9,000.00	76.3%
5726 Equipment Rental	234.38	500.00	46.9%
5728 Equipment Supplies	4,406.44	6,500.00	67.8%
5732 Office Supplies/Equipment	294.51	800.00	36.8%
5734 Radios	2,713.90	3,200.00	84.8%
5738 Training	339.00	800.00	42.4%
5740 Travel Expense	225.10	1,000.00	22.5%
5742 Uniforms	1,446.77	2,000.00	72.3%
5748 Landscaping Services	37,665.59	110,000.00	34.2%
Total Public Works Department	182,857.39	373,700.00	48.9%
Services			
5802 Appraisal District	5,852.00	11,700.00	50.0%
5804 Attorney Fees	32,473.53	60,000.00	54.1%
5806 Audit	13,500.00	13,500.00	100.0%
5808 Codification	375.00	4,000.00	9.4%
5812 Document Management	759.70	1,200.00	63.3%
5814 Engineering	37,432.67	52,500.00	71.3%
5816 General Insurance	33,732.58	33,733.00	100.0%
5818 Inspections	29,459.00	40,500.00	72.7%
5820 Fire Service	460,224.75	615,000.00	74.8%
5822 Legal Notices/Advertising	1,119.80	2,000.00	56.0%
5824 Library Services	747.25	1,000.00	74.7%
5826 Municipal Judge	6,720.00	11,520.00	58.3%
5828 Printing	1,242.50	1,800.00	69.0%
5830 Tax Collection	2,273.00	3,500.00	64.9%
5832 Computer Technical Support	34,351.79	34,500.00	99.6%
5838 DCCAC	0.00	1,750.00	0.0%
5840 Denton County Dispatch	0.00	29,301.00	0.0%

3:01 PM

05/09/19

Accrual Basis

Town of Hickory Creek

Budget vs. Actual Year to Date 58.31%

October 2018 through April 2019

	Oct '18 - Apr 19	Budget	% of Budget
5844 Helping Hands	91.15	300.00	30.4%
5848 DCFOF	0.00	500.00	0.0%
Total Services	660,354.72	918,304.00	71.9%
Special Events			
6004 Fourth of July Celebration	0.00	5,000.00	0.0%
6008 Tree Lighting	5,219.38	5,220.00	100.0%
Total Special Events	5,219.38	10,220.00	51.1%
Utilities & Maintenance			
5902 Bldg Maintenance/Supplies	55,380.12	85,000.00	65.2%
5904 Electric	16,352.17	28,000.00	58.4%
5906 Gas	1,447.45	2,000.00	72.4%
5908 Street Lighting	20,043.53	30,000.00	66.8%
5910 Telephone	20,506.86	22,800.00	89.9%
5912 Water	7,504.82	15,000.00	50.0%
Total Utilities & Maintenance	121,234.95	182,800.00	66.3%
Total Expense	3,471,580.26	6,190,090.00	56.1%
Net Ordinary Income	242,186.51	0.00	100.0%
Net Income	242,186.51	0.00	100.0%

3:02 PM
05/09/19
Accrual Basis

Town of Hickory Creek
Expenditures over \$1,000.00
April 2019

Type	Date	Num	Name	Amount
Ordinary Income/Expense				
Expense				
Capital Outlay				
5010 Street Maintenance				
Deposit	04/04/2019		Deposit	-1,125.47
	Total 5010 Street Maintenance			-1,125.47
5022 Parks and Rec Improvements				
Bill	04/30/2019	Invoi...	Dunaway	4,460.00
	Total 5022 Parks and Rec Improvements			4,460.00
5024 Public Safety Improvements				
Check	04/02/2019	3771	L.C.M.U.A.	2,884.79
Bill	04/30/2019	Invoi...	L.C.M.U.A.	15,681.85
	Total 5024 Public Safety Improvements			18,566.64
5028 Turbeville/Point Vista				
Deposit	04/12/2019		Deposit	-67,315.48
Bill	04/11/2019	Invoi...	Half Associates, Inc.	1,576.50
Bill	04/11/2019	Invoi...	CMJ Engineering, Inc.	3,873.13
Bill	04/11/2019	Invoi...	CMJ Engineering, Inc.	7,499.13
Check	04/11/2019	3776	McMahon Contracting L.P.	42,076.39
Check	04/24/2019	3784	GRod Construction, LLC.	102,549.65
	Total 5028 Turbeville/Point Vista			90,259.32
	Total Capital Outlay			112,160.49
General Government				
5210 Dues & Memberships				
Check	04/22/2019	3783	Texas Municipal League	1,274.00
	Total 5210 Dues & Memberships			1,274.00
5212 EDC Tax Payment				
Check	04/11/2019	3775	Hickory Creek Economic Development	-8,798.78
Check	04/11/2019	3775	Hickory Creek Economic Development	27,674.02
	Total 5212 EDC Tax Payment			18,875.24
5218 General Communications				
Bill	04/02/2019	Invoi...	Stoneglass Marketing	2,040.66
	Total 5218 General Communications			2,040.66
	Total General Government			22,189.90
Municipal Court				
5324 State Court Costs				
Check	04/24/2019	Debit	State Comptroller	51,624.12
	Total 5324 State Court Costs			51,624.12
5332 Warrants Collected				
Bill	04/19/2019	Rep...	OmniBase Services Texas, LP	1,050.00

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05/09/19

Accrual Basis

Town of Hickory Creek

Expenditures over \$1,000.00

April 2019

Type	Date	Num	Name	Amount
Bill	04/15/2019	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	3,399.07
Bill	04/15/2019	Invoi...	McCreary, Veselka, Bragg and Allen, P.C.	4,466.75
Total 5332 Warrants Collected				8,915.82
Total Municipal Court				60,539.94
Parks Corps of Engineer				
5438 Sycamore Bend				
Bill	04/03/2019	Invoi...	Lowe's	1,080.94
Total 5438 Sycamore Bend				1,080.94
Total Parks Corps of Engineer				1,080.94
Police Department				
5602 Auto Gas & Oil				
Check	04/29/2019	Debit	WEX INC DESFLEET DEBI	1,898.90
Total 5602 Auto Gas & Oil				1,898.90
5606 Auto Maintenance & Repair				
Bill	04/15/2019	Invoi...	Main Street Signs & Graphics	2,080.00
Total 5606 Auto Maintenance & Repair				2,080.00
5630 Personnel Equipment				
Check	04/11/2019	Debit	CHECKCARD 0405 ACTION TARGETS	1,205.30
Total 5630 Personnel Equipment				1,205.30
5636 Uniforms				
Bill	04/30/2019	Invoi...	Sun Badge Co.	1,197.50
Bill	04/18/2019	Invoi...	Galls	1,299.99
Total 5636 Uniforms				2,497.49
Total Police Department				7,681.69
Public Works Department				
5710 Auto Gas & Oil				
Check	04/29/2019	Debit	WEX INC DESFLEET DEBI	1,027.85
Total 5710 Auto Gas & Oil				1,027.85
5716 Beautification				
Check	04/10/2019	3774	Boulder Designs of DFW	4,050.00
Total 5716 Beautification				4,050.00
5748 Landscaping Services				
Bill	04/03/2019	Invoi...	D & D Commercial Landscape Management	2,466.72
Total 5748 Landscaping Services				2,466.72
Total Public Works Department				7,544.57
Services				
5804 Attorney Fees				

3:02 PM

05/09/19

Accrual Basis

Town of Hickory Creek Expenditures over \$1,000.00

April 2019

Type	Date	Num	Name	Amount
Bill	04/11/2019	Acct...	Hayes, Berry, White & Vanzant	2,709.30
	Total 5804 Attorney Fees			2,709.30
	5814 Engineering			
Bill	04/15/2019	Invoi...	Halff Associates, Inc.	1,432.26
	Total 5814 Engineering			1,432.26
	5818 Inspections			
Bill	04/19/2019	Invoi...	KSC Inspections & Designs	1,050.00
Bill	04/02/2019	Invoi...	Vaughn Inspections Plus, LLC	2,518.00
	Total 5818 Inspections			3,568.00
	Total Services			7,709.56
	Utilities & Maintenance			
	5902 Bldg Maintenance/Supplies			
Bill	04/30/2019	Invoi...	Denton Electric, Inc.	1,114.66
Bill	04/11/2019	Invoi...	Masten Air Conditioning	1,400.00
Bill	04/02/2019	Invoi...	Apex Air and Heat	2,074.00
	Total 5902 Bldg Maintenance/Supplies			4,588.66
	5904 Electric			
Check	04/23/2019	Debit	HUDSON ENERGY SE DESDEBITDEBIT	2,676.48
	Total 5904 Electric			2,676.48
	5908 Street Lighting			
Check	04/23/2019	Debit	HUDSON ENERGY SE DESDEBITDEBIT	2,741.17
	Total 5908 Street Lighting			2,741.17
	5910 Telephone			
Bill	04/30/2019	Acc...	CenturyLink	1,407.99
Bill	04/02/2019	Acc...	CenturyLink	1,409.30
	Total 5910 Telephone			2,817.29
	Total Utilities & Maintenance			12,823.60
	Total Expense			231,730.69
	Net Ordinary Income			-231,730.69
	Net Income			-231,730.69



TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276007

ACCOUNT NAME: ANIMAL SHELTER FACILITY

STATEMENT PERIOD: 04/01/2019 - 04/30/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5838%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 50 DAYS AND THE NET ASSET VALUE FOR 4/30/19 WAS 1.000047.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			9,343.91
04/30/2019	MONTHLY POSTING	9999888	19.81	9,363.72
	ENDING BALANCE			9,363.72

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	9,343.91
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	19.81
ENDING BALANCE	9,363.72
AVERAGE BALANCE	9,343.91

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
ANIMAL SHELTER FACILITY	0.00	0.00	79.45





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276009

ACCOUNT NAME: HARBOR LANE - SYCAMORE BEND

STATEMENT PERIOD: 04/01/2019 - 04/30/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5838%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 50 DAYS AND THE NET ASSET VALUE FOR 4/30/19 WAS 1.000047.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			3,257.93
04/30/2019	MONTHLY POSTING	9999888	6.90	3,264.83
	ENDING BALANCE			3,264.83

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	3,257.93
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	6.90
ENDING BALANCE	3,264.83
AVERAGE BALANCE	3,257.93

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
HARBOR LANE - SYCAMORE BEND	0.00	0.00	27.65





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276001

ACCOUNT NAME: INVESTMENT FUND

STATEMENT PERIOD: 04/01/2019 - 04/30/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5838%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 50 DAYS AND THE NET ASSET VALUE FOR 4/30/19 WAS 1.000047.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			4,667,623.00
04/02/2019	ACH WITHDRAWAL	6103887	100,000.00 -	4,567,623.00
04/11/2019	ACH WITHDRAWAL	6104166	100,000.00 -	4,467,623.00
04/30/2019	MONTHLY POSTING	9999888	9,565.90	4,477,188.90
	ENDING BALANCE			4,477,188.90

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	4,667,623.00
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	200,000.00
TOTAL INTEREST	9,565.90
ENDING BALANCE	4,477,188.90
AVERAGE BALANCE	4,504,289.67

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
INVESTMENT FUND	900,000.00	421,550.00	37,530.87





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276005

ACCOUNT NAME: RESIDENTIAL STREET & RD IMPROV

STATEMENT PERIOD: 04/01/2019 - 04/30/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5838%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 50 DAYS AND THE NET ASSET VALUE FOR 4/30/19 WAS 1.000047.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			557,173.06
04/30/2019	MONTHLY POSTING	9999888	1,183.25	558,356.31
	ENDING BALANCE			558,356.31

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	557,173.06
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	1,183.25
ENDING BALANCE	558,356.31
AVERAGE BALANCE	557,173.06

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
RESIDENTIAL STREET & RD IMPROV	0.00	0.00	4,742.04





TOWN OF HICKORY CREEK
ATTN KRISTI K ROGERS
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065-7633

MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1668276002

ACCOUNT NAME: TURBEVILLE RD IMPROVEMENT FUND

STATEMENT PERIOD: 04/01/2019 - 04/30/2019

LOGIC MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 2.5838%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 50 DAYS AND THE NET ASSET VALUE FOR 4/30/19 WAS 1.000047.

MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			209,608.60
04/30/2019	MONTHLY POSTING	9999888	445.15	210,053.75
	ENDING BALANCE			210,053.75

MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	209,608.60
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	445.15
ENDING BALANCE	210,053.75
AVERAGE BALANCE	209,608.60

ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
TURBEVILLE RD IMPROVEMENT FUND	0.00	0.00	1,783.95



Item Attachment Documents:

8. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, nominating one candidate to a slate of nominees for the board of managers of the Denco area 9-1-1 District.

**TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-__**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN
OF HICKORY CREEK, TEXAS, NOMINATING ONE
CANDIDATE TO A SLATE OF NOMINEES FOR THE
BOARD OF MANAGERS OF THE Denco AREA 9-1-1
DISTRICT.**

WHEREAS, Section 772, Health and Safety Code, provides that two voting members of the Board of Managers of an Emergency Communications District shall be appointed jointly by all cities and towns lying wholly or partly within the District;

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

Section 1

The Town of Hickory Creek hereby **NOMINATES** Sue Tejml as candidate for appointment to the Board of Managers for the Denco Area 9-1-1 District.

Section 2

That this resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek

ATTEST:

APPROVED AS TO FORM:

Kristi K. Rogers, Town Secretary
Town of Hickory Creek


Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek



Denco Area 9-1-1 District

1075 Princeton Street ■ Lewisville, TX 75067 ■ Mailing: PO BOX 293058 ■ Lewisville, TX 75029-3058
Phone: 972-221-0911 ■ Fax: 972-420-0709

TO: Denco Area 9-1-1 District Participating Municipal Jurisdictions

FROM: Mark Payne, Executive Director 

DATE: March 15, 2019

RE: Nomination for the Denco Area 9-1-1 District Board of Managers

Chapter 772, Texas Health and Safety Code, provides for the Denco Area 9-1-1 District Board of Managers to have "two members appointed jointly by all the participating municipalities located in whole or part of the district." The enclosed resolution, approved by the district's board of managers on March 10, 2016, describes the appointment process of a municipal representative to the Denco Board of Managers.

Each year on September 30th, the term of one of the two members appointed by participating municipalities expires. This year it is the term of Mayor Sue Tejml. Members are eligible for consecutive terms and Mayor Tejml has expressed her desire to serve another term.

In order to coordinate the appointment among 33 participating municipalities, Denco requests the following actions by the governing bodies of each city/town:

1. **Immediate Action (Nominate):** If your city/town would like to nominate a candidate to represent the municipalities on the Denco Board of Managers, please send a letter of nomination, by way of council action, and résumé of the candidate to the Denco Area 9-1-1 District office. **For a nomination to be considered, written notification of council action must reach the Denco Area 9-1-1 District by 5:00 p.m. June 15, 2019.** No nominations shall be considered after that time.
2. **Future Action (Vote):** On June 16, 2019, Denco staff will send the slate of nominees to each city/town for consideration, requesting the city/town council vote by resolution for one of the nominees. Written notice of the council's selection must reach the Denco Area 9-1-1 District by 5:00 p.m. on September 15, 2019. No votes will be accepted after that time.
3. **Process Closure (Results):** The Denco Board of Managers and all municipal jurisdictions will be informed of the votes from responding cities/towns. The candidate with the most votes will be the municipalities' representative to the Denco Area 9-1-1 District Board of Managers for the two-year term beginning October 1, 2019.

Please send a copy of your council's official action and candidate résumé to the Denco Area 9-1-1 District, **1075 Princeton Street, Lewisville, TX 75067** or to Andrea Zepeda at andrea.zepeda@denco.org. Denco staff will acknowledge receipt and sufficiency of the submitted documents. If that acknowledgement is not received within one (1) business day, or you have any other questions, please contact Ms. Zepeda at 972-221-0911. As a courtesy, Denco will provide notification of your council's action to the nominee.

A sample nomination resolution has been enclosed for your convenience. Thank you for your support of the Denco Area 9-1-1 District.

c: Denco Area 9-1-1 District Board of Managers

Enclosures

DENCO AREA 9-1-1 DISTRICT

RESOLUTION

**DEFINING PROCEDURE FOR APPOINTMENT OF PARTICIPATING
MUNICIPALITIES' REPRESENTATIVE TO THE DISTRICT BOARD OF MANAGERS**

WHEREAS, this resolution shall take the place of Resolution 1999.02.04.R01 by the same title; and

WHEREAS, Chapter 772, Texas Health and Safety Code provides for the Denco Area 9-1-1 District Board of Managers to have "two members appointed jointly by all the participating municipalities located in whole or part of the district."; and

WHEREAS, each member serves a term of two years beginning on October 1st of the year member is appointed; and

WHEREAS, one member representing participating municipalities is appointed each year.

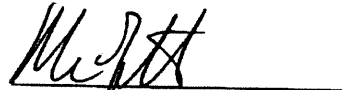
NOW, THEREFORE BE IT RESOLVED BY THE DENCO AREA 9-1-1 DISTRICT BOARD OF MANAGERS:

The procedure for participating municipalities to appoint a representative to the Denco Area 9-1-1 District Board of Managers shall be the following:

1. **Nominate Candidate:** Prior to March 15th of each year, the executive director shall send a written notice to the mayor of each participating municipality advising that nominations are being accepted until June 15th of that same year, for one of the municipal representatives to the Denco Area 9-1-1 District Board of Managers. The notice shall advise the mayors that for a nomination to be considered, written notification of council action must be received at the Denco office prior to 5:00 p.m. on June 15th of that year. No nominations shall be considered after that time.
2. **Vote for Candidate:** On June 16th of each year, the executive director shall send written notice to the mayor of each participating municipality, providing the slate of nominees to be considered for appointment to the Denco Area 9-1-1 District Board of Managers for the term beginning October 1st. The notice shall advise the mayor that the city/town council shall vote, by resolution from such city/town, for one of the nominees. Written notice of the council's selection must be received at the district office by 5:00 p.m. on September 15th. No votes will be accepted after that time.
3. **Tally Votes:** The one nominee with the most votes received by the deadline will be the municipal representative appointed for the two-year term beginning October 1st.
4. **Tie Breaker:** If there is a tie between two candidates with the most votes, a runoff election will be held immediately with the candidate receiving the most votes serving the remainder of the term. The incumbent representative shall serve in that position until replaced.

APPROVED and ADOPTED on this 10th day of March 2016.


Chairman of the Board


Secretary of the Board

Item Attachment Documents:

9. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute a First Amendment to an Interlocal Agreement for services by and between the Town of Hickory Creek, Texas and Span, Inc., and providing an effective date.

**TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-__**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, HEREBY AUTHORIZING THE MAYOR OF THE TOWN OF HICKORY CREEK, TEXAS, TO EXECUTE A FIRST AMENDMENT TO AN INTERLOCAL AGREEMENT FOR SERVICES BY AND BETWEEN THE TOWN OF HICKORY CREEK, TEXAS AND SPAN, INC., AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek (the “Town”), Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to enabling legislation of the State of Texas;

WHEREAS, the Town Council has been presented with a proposed First Amendment to Interlocal Agreement for Services to provide nutrition, transportation and social services to older persons, persons with disability, veterans, and the general public (hereinafter the “Agreement”), a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the Town Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor shall be authorized to execute it on behalf of the Town of Hickory Creek.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Hickory Creek, Texas:

Section 1: That the Mayor of the Town of Hickory Creek, Texas, is hereby authorized to execute on behalf of the Town of Hickory Creek, Texas, the Agreement attached hereto as Exhibit A.

Section 2: This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 21st day of May , 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L Sargent, III, Town Attorney
Town of Hickory Creek, Texas

FIRST AMENDMENT
TO INTERLOCAL AGREEMENT FOR SERVICES
BETWEEN SPAN, INC. AND THE TOWN OF HICKORY CREEK

THIS FIRST AMENDMENT is made to the Inter Local Agreement previously executed by and between SPAN, Inc., (hereinafter referred to as "SPAN"), and Hickory Creek, Texas, acting by and through its duly authorized Town Mayor (hereinafter referred to as "TOWN")

WHEREAS, Riders in TOWN may be taken anywhere in SPAN's demand response transit service area in Denton County at a cost to the Riders of \$3.00 for seniors (age 65 and older) and people with documented disabilities for the limited purposes of medical treatments, doctor's and dentist's appointments and trips to get prescriptions filled; and

NOW THEREFORE, in consideration of the mutual agreements contained herein, the SPAN and TOWN amend their prior agreement as follows:

Riders in TOWN may be taken anywhere in SPAN's demand response transit service area in Denton County at a cost to the Riders of \$3.00 for seniors (age 65 and older) and people with documented disabilities for the limited purposes of medical treatments, doctor's and dentist's appointments, trips to get prescriptions filled, shopping for necessities, travel to and from the Public Libraries within Lake Cities, and participation in the TOWN'S Lake Cities Seniors Program;

It is mutually understood and agreed by and between the undersigned contracting parties to amend that previously executed agreement. All other terms and conditions that are not hereby amended are to remain in full force and effect.

IN WITNESS WHEREOF, the TOWN of Hickory Creek and Span, Inc. have executed this First Amendment to the Agreement on this the 21st day of May, 2019.

SPAN, INC:

Michelle McMahon, Executive Director

TOWN OF HICKORY CREEK:

Lynn C. Clark, Mayor

Kristi Rogers, Town Secretary

Item Attachment Documents:

10. Interviews for various boards and commissions.



AGENDA INFORMATION SHEET

MEETING DATE: May 21, 2019

AGENDA ITEM: Interviews for various boards and commissions.

SUMMARY: **Boards of Adjustments**

Shawn Andrews currently serves in Position 1.

Stuart Birdseye currently serves as Alternate 2.

Parks and Recreation

Kevin Ricer currently serves in Place 1.

Calin Giuroiu currently serves in Place 3.

Mandy Larkin currently serves in Place 5.

Lisa Rowell currently serves in Place 7.

Planning and Zoning

Mike Thames currently serves in Place 1.

Jaycee Holston currently serves in Place 3.

Don Rowell currently serves in Place 5.

David Gilmore currently serves in Place 7.

New Applicants

Jan Bowman

Joey Hernandez

David Jones

Item Attachment Documents:

11. Consider and act on a final plat of Folly Beach Addition, Lots 1 and 2, Block A, being 0.53 acres of land situated in the Lowery Cobb Survey, Abstract No. 284, Town of Hickory Creek, Denton County, Texas. The property is located at 108 Folly Beach Road in the extraterritorial jurisdiction.



April 15, 2019
AVO 35309.001 - 108
Ms. Chris Chaudoir
Town of Hickory Creek
1075 Ronald Reagan Avenue
Hickory Creek, TX 75065

**RE: Folly Beach Addition – Final Plat
1st Review**

Dear Ms. Chaudoir:

The Town of Hickory Creek received the final plat for the Folly Beach Addition on March 27, 2019. The surveyor is Eagle Surveying, LLC. The owner is Kim Shultz-Rainford. There are comments shown in the letter below.

Halff recommends approval of the replat received on March 27, 2019 contingent on addressing the comment below.

Survey Plat

1. Need to provide to Town a certificate showing all taxes have been paid if not already provided with final plat application.

Sincerely,

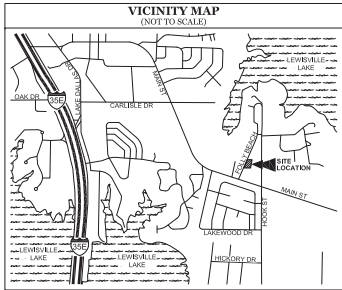
HALFF ASSOCIATES, INC.

A handwritten signature in blue ink, appearing to read "Brian C. Haynes".

Brian C. Haynes, PE, CFM
Vice President

C: Kristi Rogers – Town Secretary
John Smith – Town Administrator

Attachments: Final Plat Checklist



GENERAL NOTES

- 1.) The purpose of this plat is to create two (2) lots of record from a tract of land.
- 2.) This property is located in "Non-shaded Zone X" according to the F.E.M.A. Flood Insurance Rate Map dated April 18, 2011 as shown on Map Number 48121C0535G.
- 3.) The grid coordinates shown on this plat are based on GPS observations utilizing the Alterra RTKNET Cooperative network, NAD 83(2011) State Plane Coordinate System (Texas North Central Zone - 4202).
- 4.) Setting a portion of this addition by metes and bounds is a violation of Town Ordinance and State Law, and is subject to these and/or withdrawing of utilities and building permits.
- 5.) All interior property corners are marked with a 1/2-inch iron rod with a green plastic cap stamped "EAGLE SURVEYING" unless noted otherwise.
- 6.) The bearings shown on this plat are based on GPS observations utilizing the Alterra RTKNET Cooperative network, NAD 83(2011) Datum.

LEGEND

PG = PAGE
VOL = VOLUME
POB = POINT OF BEGINNING
IRF = IRON ROD FOUND
CIRS = CAPPED IRON ROD SET
DOC. NO. = DOCUMENT NUMBER
D.R.D.C.T. = DEED RECORDS
DENTON COUNTY, TEXAS
O.R.D.C.T. = OFFICIAL RECORDS
DENTON COUNTY, TEXAS

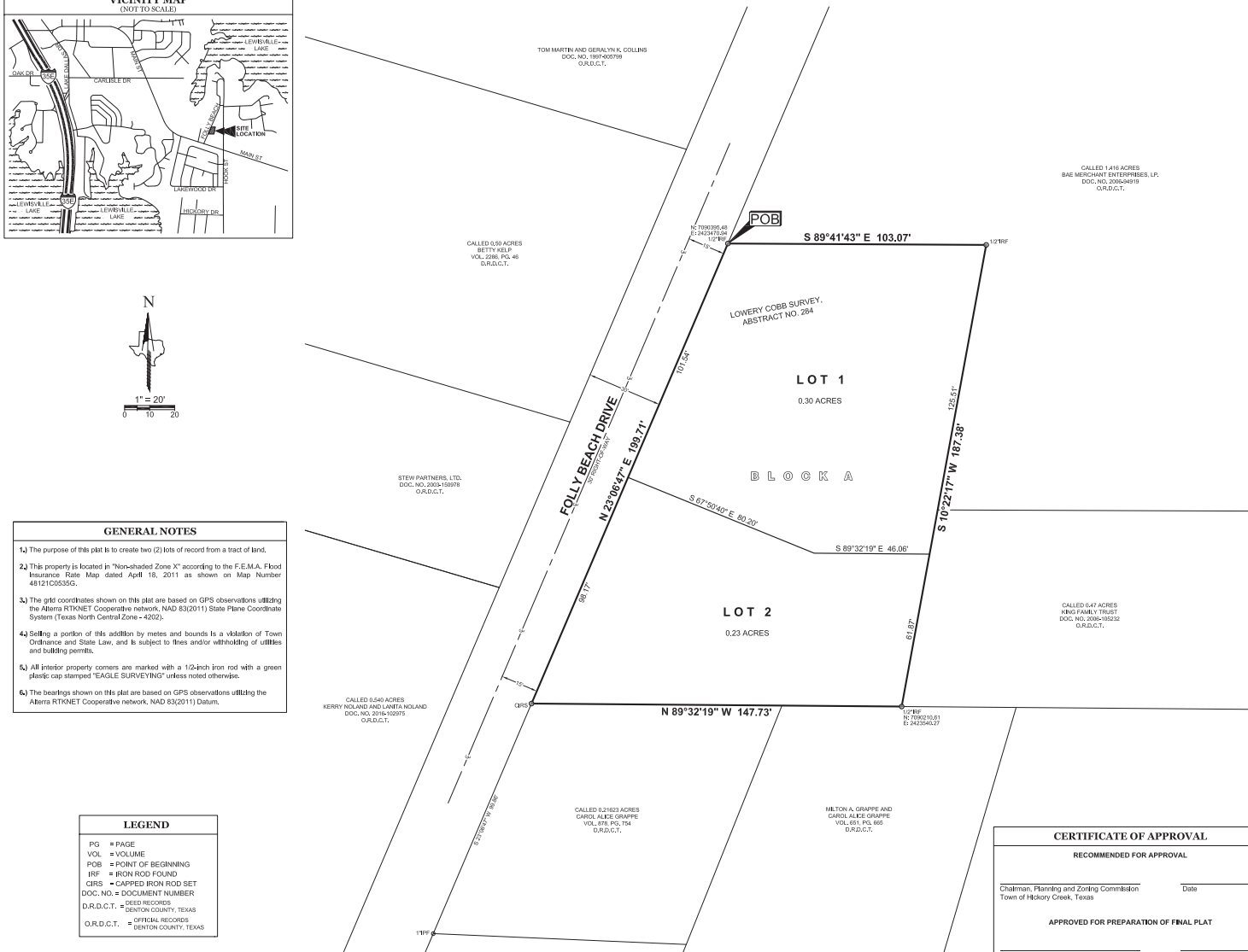
Project	1902.019-01
Date	03/27/2019
Drafter	JDC



EAGLE SURVEYING, LLC
210 S. Elm Street, Suite 104
Denton, TX 76201
(940) 222-3009
TX Firm #10194177

SURVEYOR
Eagle Surveying, LLC
Contact: John Cox
210 S. Elm Street, Suite 104
Denton, TX 76201
(940) 222-3009

OWNER
Kim Shultz-Rainford
6101 Long Prairie Road
Suite 744c111
Flower Mound, TX 75028
(214) 215-6866



OWNER'S CERTIFICATE & DEDICATION

STATE OF TEXAS §
COUNTY OF DENTON §

WHEREAS, **KIM SHULTZ-RAINFORD**, Is the owner of a 0.53 acre tract of land out of the LOWERY COBB SURVEY, ABSTRACT NUMBER 284, situated in the Town of Hickory Creek, Denton County, Texas, being all of that certain tract of land conveyed to Kim Shultz-Rainford by Sheriff's Deed of record in Document Number 2008-87127 of the Official Records of Denton County, Texas, being the same called 0.534 acre tract of land described in Warranty Deed of record in Volume 634, Page 693 of the Deed Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING, at a 1/2 inch iron rod found in the East right-of-way line of Folly Beach Drive, being the most Westerly Southwest corner of a called 1.416 acre tract of land conveyed to BAE Merchant Enterprises, LP by deed of record in Document No. 2006-04919 of said Official Records, also being the Northwest corner of said 0.534 acre tract and hereof;

THENCE, S89°41'43"E, bearing the East right-of-way line of Folly Beach Drive, along the common line of said 1.416 acre tract and said 0.534 acre tract, a distance of 103.07 feet to a 1/2 inch iron rod found at the Northeast corner of said 0.534 acre tract and hereof;

THENCE, S10°22'17"W, along the East line of said 0.534 acre tract, being in part, the West line of said 1.416 acre tract and in part, the West line of a called 0.47 acre tract of land conveyed to King Family Trust by deed of record in Document No. 2006-105232 of said Official Records, a distance of 187.38 feet to a 1/2 inch iron rod found in the North line of that certain tract of land conveyed to Milton A. and Carol Alice Grappe by deed of record in Volume 651, page 665 of said Deed Records, being the Southwest corner of said 0.47 acre tract, also being the Southeast corner of said 0.534 acre tract and hereof;

THENCE, N89°32'19"W, along the South line of said 0.534 acre tract, being in part the North line of said Milton and Carol Grappe tract and in part, the North line of a called 0.21623 acre tract of land conveyed to Carol Alice Grappe by deed of record in Volume 876, Page 754 of said Deed Records, a distance of 147.73 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set in the East right-of-way line of Folly Beach Drive, being the Northwest corner of said 0.21623 acre tract, also being the Southwest corner of said 0.534 acre tract and hereof, from which a 1 inch iron pipe found at the Southwest corner of said 0.21623 acre tract bears S23°06'47"W, a distance of 99.86 feet;

THENCE, N23°06'47"E, along the East right-of-way line of Folly Beach Drive, being the West line of said 0.534 acre tract, a distance of 199.71 feet to the **POINT OF BEGINNING** containing an area of 0.53 Acres of land, more or less,

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS:

THAT, **KIM SHULTZ-RAINFORD**, does hereby adopt this plat, designating herein described property as **FOLLY BEACH ADDITION**, an addition to the Town of Hickory Creek, Denton County, Texas, and does hereby dedicate to public use forever all streets, alleys, parks, watercourses, drains, easements and public places thereon shown for the purpose and consideration therein expressed. No buildings, fences, trees, shrubs or other improvements or growths shall be constructed or placed upon, over or across the drainage and utility easements as shown. Said drainage and utility easements being hereby reserved for the mutual use and accommodation of all public utilities desiring to use same. All and any public utility shall have the right to remove and keep removed all or parts of any buildings, fences, trees, shrubs or other improvements or growths which may in any way endanger or interfere with the construction, maintenance, or efficiency of its respective system on the drainage and utility easement and all public utilities shall at all times have the full right of ingress and egress to or from upon the said drainage and utility easements for the purpose of constructing, reconstructing, inspecting, patrolling, maintaining and adding to or removing all or parts of its respective systems without the necessity at any time of procuring the permission of anyone.

OWNER: **KIM SHULTZ-RAINFORD**

BY: _____
Kim Shultz-Rainford Date _____
Owner

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared **KIM SHULTZ-RAINFORD**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF THE OFFICE this _____ day of _____, 2019.

Notary Public in and for the State of Texas

CERTIFICATE OF SURVEYOR

STATE OF TEXAS §
COUNTY OF DENTON §

I, **MATTHEW RAABE**, Registered Professional Land Surveyor, do hereby certify that this plat was prepared from an actual survey made on the ground and that the monuments shown herein were found or placed with 1/2-inch iron rods with green plastic caps stamped "EAGLE SURVEYING" under my direction and supervision in accordance with the current provisions of the Texas Administrative Code and the Ordinances of the Town of Hickory Creek, Denton County, Texas.

PRELIMINARY
This document shall not be recorded
for any purpose and shall not be
used or relied upon as a
final survey document
Matthew Raabe, R.P.L.S., # 6402 Date _____

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared **MATTHEW RAABE**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF THE OFFICE this _____ day of _____, 2019.

John Cox, Notary Public in and for the State of Texas

CERTIFICATE OF APPROVAL

RECOMMENDED FOR APPROVAL

Chairman, Planning and Zoning Commission
Town of Hickory Creek, Texas Date _____

APPROVED FOR PREPARATION OF FINAL PLAT

Mayor
Town of Hickory Creek, Texas Date _____

The undersigned, the Town Secretary of Hickory Creek, Texas, hereby certifies that the foregoing final plat of the **FOLLY BEACH ADDITION**, an addition to the Town of Hickory Creek, Texas was submitted to the Town Council on the _____ day of _____, 2019, and the council by formal action, then and there accepted the dedication of streets, alleys, parks, easements, public places, and water and sewer lines, as shown on set forth in and upon said plat, and said council further authorized the Mayor to note the acceptance thereof by signing his/her name as hereinafore subscribed.

WITNESS MY HAND this _____ day of _____, 2019.

Town Secretary
Town of Hickory Creek, Texas

FINAL PLAT FOLLY BEACH ADDITION LOTS 1 AND 2, BLOCK A

BEING 0.53 ACRES OF LAND SITUATED IN THE
LOWERY COBB SURVEY, ABSTRACT NO. 284,
TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS

Item Attachment Documents:

12. Consider and act on appointments to Board of Adjustments.



AGENDA INFORMATION SHEET

MEETING DATE: May 21, 2019

AGENDA ITEM: Consider and act on appointments to Board of Adjustments.

SUMMARY: Places 1, 3 and 5 will be appointed for a two-year term expiring June 2021.

Alternate 1 to be appointed for a two-year term expiring June 2021.

Alternate 2 to be appointed for a one-year term expiring June 2020.

Item Attachment Documents:

13. Consider and act on appointments to the Code of Ethics Board.



AGENDA INFORMATION SHEET

MEETING DATE: May 21, 2019

AGENDA ITEM: Consider and act on appointments to the Code of Ethics Board.

SUMMARY: Mayor Lynn Clark would like to appoint Lynn Bender.

Councilmember Tracee Elrod would like to reappoint Kim Krill.

Councilmember Chris Gordon would like to reappoint James Schultz.

Councilmember Ian Theodore would like to reappoint Rick Carruth.

Item Attachment Documents:

14. Consider and act on appointments to the Parks and Recreation Board.



AGENDA INFORMATION SHEET

MEETING DATE: May 21, 2019

AGENDA ITEM: Consider and act on appointments to the Parks and Recreation Board.

SUMMARY: Places 1, 3, 5 and 7 will be appointed for a two-year term expiring June 2021.

Item Attachment Documents:

15. Consider and act on appointments to the Planning and Zoning Commission.



AGENDA INFORMATION SHEET

MEETING DATE: May 21, 2019

AGENDA ITEM: Consider and act on appointments to the Planning and Zoning Commission.

SUMMARY: Places 1, 3, 5 and 7 will be appointed for a two-year term expiring June 2021.

Item Attachment Documents:

16. Consider and act on an ordinance of the Town Council of Hickory Creek, Texas, amending as heretofore amended, its comprehensive zoning ordinance, and amending the official zoning map of the Town by designating certain tracts of land legally described as A1120A H.H. Swisher TR 50, 5.0 acres and TR 50A (1) (PT) of land being more particularly described in Exhibit "A," attached hereto and incorporated herein; as PD (Planned Development); providing that such tracts of land shall be used in accordance with the applicable requirements of the comprehensive zoning ordinance and all other applicable ordinances of the Town; providing that the zoning map shall reflect the Planned Development Zoning District designation for the subject property; providing a preliminary site plan; providing development standards; providing a cumulative clause; providing a penalty not to exceed the sum of two thousand dollars (\$2,000.00) for each offense and a separate offense shall be deemed committed each day during or on which a violation occurs or continues; providing for the Town of Hickory Creek to bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity; providing for publication; providing for engrossment and enrollment; and providing an effective date.(KSW Holding Hickory Creek, L.P.)

TOWN OF HICKORY CREEK, TEXAS
ORDINANCE NO. 2019-05-_____

AN ORDINANCE OF THE TOWN COUNCIL OF HICKORY CREEK, TEXAS, AMENDING AS HERETOFORE AMENDED, ITS COMPREHENSIVE ZONING ORDINANCE, AND AMENDING THE OFFICIAL ZONING MAP OF THE TOWN BY DESIGNATING CERTAIN TRACTS OF LAND LEGALLY DESCRIBED AS A1120A H.H. SWISHER TR 50, 5.0 ACRES AND TR 50A (1) (PT) OF LAND BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A," ATTACHED HERETO AND INCORPORATED HEREIN; AS PD (PLANNED DEVELOPMENT); PROVIDING THAT SUCH TRACTS OF LAND SHALL BE USED IN ACCORDANCE WITH THE APPLICABLE REQUIREMENTS OF THE COMPREHENSIVE ZONING ORDINANCE AND ALL OTHER APPLICABLE ORDINANCES OF THE TOWN; PROVIDING THAT THE ZONING MAP SHALL REFLECT THE PLANNED DEVELOPMENT ZONING DISTRICT DESIGNATION FOR THE SUBJECT PROPERTY; PROVIDING A PRELIMINARY SITE PLAN; PROVIDING DEVELOPMENT STANDARDS; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; PROVIDING FOR THE TOWN OF HICKORY CREEK TO BRING SUIT IN DISTRICT COURT TO ENJOIN THE PERSON, FIRM, PARTNERSHIP, CORPORATION, OR ASSOCIATION FROM ENGAGING IN THE PROHIBITED ACTIVITY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek is a Type A General Law Municipality located in Denton County, Texas created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, Title 7, Chapter 211.003 of the Texas Local Government Code empowers a municipality to, among other things, establish and amend zoning districts, classifications of land use, adopt a comprehensive plan to regulate the use of land and open spaces, adopt and amend zoning regulations, regulate population density, and regulate the use and location of buildings; and

WHEREAS, the owner/representative of an approximately 39 gross acres of land described on Exhibit "A" attached hereto and incorporated herein (the "Property"), has applied for a zoning designation of PD (Planned Development) District; and

WHEREAS, such application further requested an amendment to the official Zoning District Map of the Town in accordance with the zoning ordinance of the Town; and

WHEREAS, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of the Town, and after considering the information submitted at that public hearing and all other relevant information and materials, the Planning and Zoning Commission of the Town has forwarded to the Town Council its favorable recommendation regarding the adoption of the amendment to the Comprehensive Zoning Ordinance as set forth in this Ordinance; and

WHEREAS, after public notices were given, legal notices and other requirements were satisfied, and a public hearing was conducted, all in accordance with State law and the Comprehensive Zoning Ordinance of this Town, and after considering the information submitted at that public hearing and all other relevant information and materials, including the character of the Property and its suitability for particular uses and development, with a view of encouraging the most appropriate use of the Property, the Town Council made a finding that the rezoning approved hereby accomplishes such objectives; and

WHEREAS, the Town Council has determined that there is a necessity and need for the change in zoning and that the proposed change is consistent with the Comprehensive Land Use Plan of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

SECTION 1 **INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 **FINDINGS**

After due deliberations and consideration of the recommendation of the Planning and Zoning Commission and the information and other materials received at the public hearing, the Town Council has concluded that the adoption of this Ordinance is in the best interest of the Town of Hickory Creek, Texas, and of the public health, safety, and welfare.

SECTION 3 **REZONING**

The zoning ordinance of the Town of Hickory Creek, Texas, the same being the Town's Comprehensive Zoning Ordinance, as it exists on the date of the adoption of this Ordinance (the "Comprehensive Zoning Ordinance") is hereby amended in the following particulars, and all other articles, chapters, sections, paragraphs, sentences, definitions, phrases, and words are not amended but are hereby ratified and affirmed:

- A. The zoning of the Property hereby designates PD (Planned Development) District for use in accordance with the requirements of this Ordinance and all other applicable ordinances, rules, and regulations of the Town. Requirements of this Ordinance are more specifically described and set forth in Exhibits "B" and "C", which are attached hereto and incorporated herein for all purposes and shall apply to the "PD" Planned Development unless otherwise specified in such Exhibits.
- B. The development standards for this Planned Development are attached hereto as Exhibit "B" and are incorporated herein as if copied in their entirety. Such development standards shall be adhered to in carrying out the development of the Property in accordance with this Ordinance and shall individually and collectively constitute conditions precedent to the granting of any Certificate of Occupancy and building permit for all structures within this Planned Development.

C. A conceptual site plan for the Property is attached hereto as Exhibit "C" and incorporated herein as if copied in its entirety.

SECTION 4 **APPLICABLE REGULATIONS**

Except as otherwise provided in this Ordinance, the Property shall be subject to the applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances and regulations of the Town, including, but not limited to, the Town's subdivision ordinance, building codes, requirements concerning preliminary and comprehensive site plans, landscape plans, and tree preservation. It shall be unlawful for any person, firm, or corporation to make use of said premises in some manner other than as outlined by this Ordinance.

SECTION 5 **ZONING MAP**

The Town Secretary is hereby directed to mark and indicate on the official Zoning District Map of the Town the zoning change herein made.

SECTION 6 **CUMULATIVE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance.

SECTION 7 **SAVINGS**

All rights and remedies of the Town of Hickory Creek, Texas, are expressly saved as to any and all violations of the provisions of any other Ordinance affecting regulations governing and regulating the zoning of land which have secured at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8 **SEVERABILITY**

If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the Town Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 9

PENALTY

It shall be unlawful for any person to violate any provision of this Ordinance, and any person violating or failing to comply with any provision hereof shall be fined, upon conviction, in an amount not more than Two Thousand Dollars (\$2,000.00), and a separate offense shall be deemed committed each day during or on which a violation occurs or continues. If the governing body of the Town of Hickory Creek determines that a violation of this Ordinance has occurred, the Town of Hickory Creek may bring suit in district court to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

SECTION 10 **PUBLICATION**

The Town Secretary of the Town of Hickory Creek is hereby directed to publish the Caption, Penalty, and Effective Date of this Ordinance as required by Section 52.011 of the Texas Local Government Code.

SECTION 11 **ENGROSSMENT AND ENROLLMENT**

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty, and Effective Date of this Ordinance in the minutes of the Town Council and by filing this Ordinance in the ordinance records of the Town.

SECTION 12 **EFFECTIVE DATE**

This ordinance shall become effective from and after its date of adoption and publication as provided by law, and it is so ordained.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek,
Texas, this 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi K. Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek, Texas

Exhibit A
Legal Description

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE H. H. SWISHER SURVEY, ABSTRACT NO. 1220, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A 39.2300 ACRE PROPERTY DESCRIBED IN DEED TO T CHATEAU EVENT CENTER, LLC AS RECORDED INSTRUMENT NO. 2012-44732 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A 5/8¹¹ IRON ROD SET FOR CORNER IN THE EAST LINE SAID 39.2300 ACRE TRACT, COMMON WITH THE WEST LINE OF A 19.2345 ACRE TRACT, DESCRIBED IN DEED TO 1745 TURBEVILLE RENTAL PROPERTY, LLC, AS DESCRIBED IN DEED RECORDED UNDER COUNTY CLERKS FILE NO. 2015-48856 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND LOCATED IN THE NORTH RIGHT-OF-WAY LINE OF TURBEVILLE ROAD, FOR THE NORTHEAST CORNER OF A 0.3671 ACRE TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY WARRANTY DEED TO THE TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS, AS RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF A RIGHT-OF-WAY PARCEL DESCRIBED IN DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013- 19372 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS;

THENCE FOLLOWING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID TURBEVILLE ROAD AS DESCRIBED IN SAID RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AS RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, THE FOLLOWING COURSES AND DISTANCES NUMBERED (1) THROUGH (5);

1. SOUTH 89° 41' 16" WEST FOR A DISTANCE OF 250.02 FEET TO A 5/8" IRON ROD SET FOR CORNER;
2. SOUTH 01° 45' 46" EAST FOR A DISTANCE OF 9.91 FEET TO A 112" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER;
3. SOUTH 89° 40' 06" WEST FOR A DISTANCE OF 406.04 FEET TO A 5/8" IRON ROD SET FOR CORNER;
4. NORTH 89° 43' 11" WEST FOR A DISTANCE OF 226.42 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER;
5. NORTH 89° 07' 34" WEST FOR A DISTANCE OF 456.60 FEET TO A 1/2¹¹ IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HALFF" FOUND FOR CORNER, SAID CORNER BEING THE NORTHWEST CONER OF AFORESAID 0.3671 ACRE TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND BEING IN THE WEST LINE OF THE AFORESAID 39.2300 ACRE TRACT;

THENCE NORTH 00° 02' 13" EAST AND DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID TURBEVILLE ROAD AS DESCRIBED IN SAID RIGHT-OF-WAY WARRANTY DEED TO TOWN OF HICKORY CREEK, TEXAS AND RECORDED IN INSTRUMENT NO. 2013-88998 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS AND FOLLOWING ALONG WEST LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT COMMON WITH THE EAST LINE OF STEEPLECHASE NORTH ADDITION - PHASE 1, AN ADDITION TO THE TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2013-91 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS, FOR A DISTANCE OF 1403.03 FEET TO A 5/8" IRON ROD SET FOR CORNER IN THE SOUTH LINE OF 3.2515 ACRE TRACT OF LAND DESCRIBED IN DEED TO ALAN HARVEY GOLDFIELD AS RECORDED IN DOCUMENT NO. 2013-57560 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 36° 41' 33" WITH A RADIUS OF 400.00 FEET AND A CHORD BEARING SOUTH 71° 50' 27" EAST AT A DISTANCE OF 251.81 FEET;

THENCE FOLLOWING ALONG THE NORTH LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE SOUTH LINE OF SAID 3.2515 ACRE ALAN HARVEY GOLDFIELD TRACT, THE FOLLOWING COURSES AND DISTANCES NUMBERED (6) THROUGH (11);

6. SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 256.16 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 460.00 FEET THROUGH A CENTRAL ANGLE OF 36° 41' 11" AND A CHORD BEARING SOUTH 71° 50' 16" EAST AT A CHORD DISTANCE OF 289.53 FEET;

7. SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE LEFT FOR AN ARC DISTANCE OF 294.54 FEET TO A 5/8" IRON ROD SET FOR CORNER;

8. NORTH 89° 49' 08" EAST FOR A DISTANCE OF 524.98 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 460.00 FEET THROUGH A CENTRAL ANGLE OF 16° 52' 25" AND CHORD DIRECTION OF NORTH 81° 22' 55" EAST AT A CHORD LENGTH OF 134.98 FEET;

9. SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE LEFT FOR AN ARC DISTANCE OF 135.47 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 400.00 FEET THROUGH A CENTRAL ANGLE OF 16° 52' 25" AND CHORD BEARING NORTH 81° 22' 55" EAST AT A CHORD LENGTH OF 117.37 FEET;

10. NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 117.80 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP FOUND FOR CORNER ;

11. NORTH 89° 47' 02" EAST FOR A DISTANCE OF 29.66 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE NORTHWEST CORNER OF THE AFOREMENTIONED 19.2345 ACRE TRACT OF LAND DESCRIBED IN DEED TO 1745 TURBEVILLE RENTAL PROPERTY, LLC AS RECORDED IN DOCUMENT NUMBER 2015-48856 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS;

THENCE SOUTH 00° 52' 15" EAST AND DEPARTING THE SOUTH LINE OF AFORESAID 32515 ACRE ALAN HARVEY GOLDFIELD TRACT AND ALONG THE EAST LINE OF AFORESAID 39.2300 ACRE T. CHATEAU EVENT CENTER, LLC TRACT AND THE WEST LINE OF SAID 19.2345 ACRE 1745 TURBEVILLE RENTAL PROPERTY, LLC TRACT FOR A DISTANCE OF 1262.16 FEET TO THE POINT OF BEGINNING AND CONTAINING 38.8755 ACRES OF LAND, MORE OR LESS.

TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE H.H. SWISHER SURVEY, ABSTRACT NO. 1220, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN SPECIAL WARRANTY DEED TO CTMGT MONTALCINO, LLC, AS RECORDED IN DOCUMENT NO. 2011-121574 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8" IRON ROD SET FOR THE NORTHWEST CORNER OF A RIGHT-OF-WAY DEDICATED FOR TURBEVILLE ROAD (A VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN DOCUMENT NO. 2013-19372 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, SAID POINT BEING IN THE COMMON WEST LINE OF SAID CTMGT MONTALCINO TRACT AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN GENERAL WARRANTY DEED TO T CHATEAU EVENT CENTER, LLC, AS RECORDED IN DOCUMENT NO. 2012-44732 OF THE OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS;

THENCE NORTH 00° 52' 15" WEST AND FOLLOWING ALONG SAID COMMON LINE FOR A DISTANCE OF 820.00 FEET TO A POINT FOR CORNER, SAID CORNER BEING THE POINT OF BEGINNING;

THENCE NORTH 00° 52' 15" EAST AND CONTINUING WITH SAID COMMON LINE FOR A DISTANCE OF 10.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 89° 07' 45" EAST AND DEPARTING THE SAID COMMON LINE, OVER AND ACROSS SAID CTMGT MONTALCINO TRACT FOR A DISTANCE OF 1000 FEET TO A POINT FOR CORNER;

Exhibit B
Planned Development Standards

The following PD Standards shall apply to the real property described in the legal description attached to this ordinance as Exhibit A (the "Property"). The Base Zoning for the Property is C-1 Commercial District, as that term is defined in Chapter 14 of the Code of Ordinances of the Town of Hickory Creek, Texas (the "Zoning Ordinance"). In the event any provision of these PD Standards conflict with a provision of the Zoning Ordinance, the PD Standards shall apply. All provisions of the Zoning Ordinance not specifically altered by the PD Standards shall apply to the Property.

1. Additional Allowed Uses: In addition to those uses allowed under the Base Zoning, the following uses are permitted at the Property:

- a. Wedding and Event Venue
- b. Hotel – Maximum of 60 rooms
- c. Restaurant
- d. Spa/Sauna

2. Additional Area Regulations: In addition to those area regulations under the Base Zoning, the following shall apply to the Property:

- a. Side Yard: Any lot that shares a boundary with the eastern or western boundary of the Property must provide a side yard of not less than forty (40) feet along said boundary line.
- b. Landscape Buffer: Any lot that shares a boundary with a Residential District or Apartment District must provide a landscape buffer of not less than ten (10) feet.
- c. Screening: Any lot that shares a boundary with the western boundary line of the Property must have a masonry fence with a minimum height of six feet along said boundary line.

3. Additional Parking Regulations: In addition to the parking regulations under the Base Zoning, the following regulations shall apply to the Property. These requirements are cumulative. A lot with more than one use must comply with the parking requirements triggered by each use.

- a. Spa/Sauna: Any lot used as a spa/sauna must provide the greater of either:
 - i. five (5) parking spaces; or
 - ii. one parking space for each two hundred square feet of floor area.
- b. Hotel: Any lot used as a hotel must provide one parking space for each room, unit, or guest accommodation.
- c. Restaurant: Any lot used as a restaurant must provide the greater of either:
 - i. five (5) parking spaces; or
 - ii. one parking space for every three seats under maximum seating arrangements.

Exhibit C Conceptual Site Plan



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Item Attachment Documents:

17. Consider and act on an ordinance annexing the hereinafter described territory to Town of Hickory Creek, Denton County, Texas, and extending the boundary limits of said Town so as to include a certain 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract No. 1220, Denton County, Texas within said town limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of the town; adopting a service plan; and providing an effective date.((MM Hickory Creek 24, LLC.)

**TOWN OF HICKORY CREEK
ORDINANCE NO. 2019-05-___**

AN ORDINANCE ANNEXING THE HEREINAFTER DESCRIBED TERRITORY TO THE TOWN OF HICKORY CREEK, DENTON COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID TOWN SO AS TO INCLUDE A CERTAIN 24.277 ACRE TRACT OF LAND SITUATED IN THE H.H. SWISHER SURVEY, ABSTRACT NO. 1220, DENTON COUNTY, TEXAS WITHIN SAID TOWN LIMITS, AND GRANTING TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF THE TOWN; ADOPTING A SERVICE PLAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek is a Type A General Law Municipality located in Denton County, Texas created in accordance with the provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, Chapter 43 of the Texas Local Government Code of the Town of Hickory Creek, Texas, an incorporated city, authorizes the annexation of territory, subject to the laws of this state.

WHEREAS, the procedures prescribed by the Texas Local Government Code and the laws of this state have been duly followed with respect to the following described territory more particularly described in Exhibit "A" which is attached hereto and incorporated herein.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

1. That the heretofore described property is hereby annexed to the Town of Hickory Creek, Denton County, Texas, and that the boundary limits of the Town of Hickory Creek be and the same are hereby extended to include the above described territory within the Town limits of the Town of Hickory Creek, and the same shall hereafter be included within the territorial limits of said Town, and the inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the Town of Hickory Creek and they shall be bound by the acts, ordinances, resolutions, and regulations of said Town.
2. A service plan for the area is hereby adopted and attached as Exhibit "B."
3. The Town Secretary is hereby directed to file with the County Clerk of Denton County, Texas, a certified copy of this ordinance.
4. This ordinance shall become effective from and after its date of adoption and publication as provided by law, and it is so ordained.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas,
this 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi K. Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek, Texas

EXHIBIT A
LEGAL DESCRIPTION

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013-198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;

THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of

Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

NOTES:

1. THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.
2. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

EXHIBIT B
TOWN OF HICKORY CREEK SERVICE PLAN

I. ANNEXED AREA

Approximately 24.277 acre tract of land situated in the H.H. Swisher Survey, Abstract 1220, Denton County, Texas.

II. INTRODUCTION

This service plan has been prepared in accordance with the Texas Local Government Code, Sections 43.021; 43.065 and 43.056(b)-(o). Municipal facilities and services to the annexed areas described above ("Annexed Area") will be provided or made available on behalf of the Town of Hickory Creek (hereinafter the "Town") in accordance with the following service plan. The Town of Hickory Creek shall provide the Annexed Area the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the Town with similar topography, land use, and population density.

III. AD VALOREM (PROPERTY OWNER) TAX SERVICES

A. Police Protection

Police protection from the Town of Hickory Creek Police Department shall be provided to the Annexed Area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the ordinance. Some of these services include:

1. Normal patrol and responses;
2. Handling of complains and incident reports;
3. Special units, such as traffic enforcement and investigations; and
4. Coordination with other public safety support agencies.

Police protection will be provided at a level consistent with other similarly situated areas within the town limits.

B. Fire Protection

The Town contracts through an interlocal agreement for fire protection with the Lake Cities Fire Department. The Department will provide emergency and fire prevention services to the Annexed Area. These services include:

1. Fire suppression and rescue;
2. Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
3. Hazardous materials response and mitigation;
4. Emergency prevention and public education efforts;
5. Technical rescue response; and
6. Construction Plan Review and required inspections.

Fire protection from the Lake Cities Fire Department shall be provided to the Annexed Area at a level consistent with current methods and procedures presently provided to similar areas of the Town on the effective date of the ordinance.

Fire protection will be provided at a level consistent with similarly situated areas within the city limits.

C. Emergency Medical Services

The Town contracts through an interlocal agreement for emergency medical services (EMS) with the Lake Cities Fire Department. The Department will provide emergency and safety services to the Annexed Area. These services include:

1. Emergency medical dispatch and pre-arrival First Aid instructions;
2. Pre-hospital emergency Advanced Life Support (ALS) response; and transport; and
3. Medical rescue services.

EMS will be provided at a level consistent with similarly situated areas within the city limits.

D. Solid Waste

Solid Waste and Recycling Collection Services will be provided to the Annexed Area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the Town. Private solid waste collection service providers operating in the Annexed Area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code.

E. Wastewater Facilities

Publicly provided wastewater service is within service areas of Lake Cities Municipal Utility Authority. LCMUA currently serves the area with wastewater services.

Operation and maintenance of wastewater facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

F. Water Facilities

The proposed annexed area is within service areas of Lake Cities Municipal Utility Authority. LCMUA currently serves the area with wastewater services.

Operation and maintenance of water facilities in the annexed areas that are within the service area of another water utility will be responsibility of that utility.

Existing developments, business or homes that are on individual water wells or private water systems will be allowed to continue to remain on these systems until a request for water service is made to LCMUA. These requests for service will be handled in accordance with the applicable utility service line extension and connection policies currently in place at the time the request for service is received.

G. Road and Streets

Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the Town's annual program and in accordance with the current policies and procedures defined by the ordinance and/or as established by the Town Council.

Any construction or reconstruction will be considered within the annexed area on a Town-wide basis and within the context of the Town's CIP and/or yearly fiscal budgetary allotments by the Town Council.

Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the Town Council. If a sign remains, it will be reviewed and placed on the Town's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.

Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the Town Council.

H. Parks, Playgrounds, Swimming Pools

Residents within the Annexed Area may utilize all existing Town parks and recreation facilities, on the effective date of this ordinance. Fees for such usage shall be in accordance with current fees established by ordinance.

As development commences in the Annexed Area, additional park and recreation facilities shall be constructed based on park policies defined in the Town's Comprehensive Plan. The general planned locations and classifications of parks will ultimately serve residents from the current Town limits and residents from areas being considered for annexation.

I. Publicly Owned Facilities

Any publicly owned facility, building, or service located within the Annexed Area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the Town on the effective date of the annexation ordinance.

J. Other services

Other services that may be provided by the Town, such as municipal and general administration will be made available on the effective date of the annexation. The Town shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the Town with similar topography, land use, and population density similar to those reasonably contemplated or projected in the Annexed Area.

IV. UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

Nothing in this Service Plan shall require the Town to provide a uniform level of full municipal services to each area of the Town, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service.

V. TERM

This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the Town Council.

VI. AMENDMENTS

This Service Plan may be amended if the Town Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The Town Council may amend the Service Plan to conform to the changed conditions or subsequent occurrences pursuant to Texas Local Government Code, Section 43.056.

Item Attachment Documents:

18. Consider and act on a resolution regarding the creation of a public improvement district and ordering public improvements to be made for the benefit of such district; providing for a severability clause; providing an effective date; and containing other matters relating to the subject.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
COUNTY OF DENTON
TOWN OF HICKORY CREEK

We, the undersigned officers of the Town of Hickory Creek (the "Town"), hereby certify as follows:

1. The Town Council of said Town convened in regular meeting on May 21, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Town Council, to-wit:

Lynn Clark; Mayor
Tracee Elrod; Place 1
Chris Gordon; Place 3

Paul Kenney; Place 4, Mayor Pro Tem
Richard DuPree; Place 2
Ian Theodore; Place 5

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written resolution entitled

A RESOLUTION REGARDING THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT AND ORDERING PUBLIC IMPROVEMENTS TO BE MADE FOR THE BENEFIT OF SUCH DISTRICT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND CONTAINING OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Town Council. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: ____ NOES: ____ ABSTAIN: ____

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Town Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Town Council's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Town Council as indicated therein; that each of the officers and members of said Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said Town has approved and hereby approves the aforesaid Resolution; that the Mayor and the Town Secretary of said Town have duly signed said Resolution; and that the Mayor and the Town Secretary of said Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED ON MAY 21, 2019.

Mayor
Town of Hickory Creek, Texas

Town Secretary
Town of Hickory Creek, Texas

(TOWN SEAL)

*Resolution Regarding the Creation of a Public Improvement District and Ordering Public Improvements to be Made
for the Benefit of Such District*

TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521- ____

A RESOLUTION REGARDING THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT AND ORDERING PUBLIC IMPROVEMENTS TO BE MADE FOR THE BENEFIT OF SUCH DISTRICT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND CONTAINING OTHER MATTERS RELATING TO THE SUBJECT.

WHEREAS, the Town of Hickory Creek, Texas (the "Town") is authorized by Chapter 372, Texas Local Government Code, as amended (the "Act") to create a public improvement district and to levy special assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within the district;

WHEREAS, on April 4, 2019, there was submitted to and filed with the Town Secretary of the Town pursuant to the Act that certain "Petition for the Creation of a Public Improvement District within the Extraterritorial Jurisdiction of the Town of Hickory Creek, Texas for the Hickory Farms Public Improvement District" (the "Petition") requesting the establishment of a public improvement district with the boundaries as described in the Petition and Exhibit B attached hereto and to be known as the "Hickory Farms Public Improvement District" (the "District");

WHEREAS, the Town Council of the Town (the "Town Council") received the Petition and determined that it satisfied the requirements of the Act;

WHEREAS, after providing the notices required by the Act and by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), the Town Council convened the public hearing to determine the advisability of creating and establishing the District and undertaking the public improvement projects described in the Petition;

WHEREAS, such public meeting was convened on May 21, 2019 and all owners of property located within the District and all other interested persons were given the opportunity at such public hearings to speak for or against the creation of the District and the proposed public improvements;

WHEREAS, the Town Council has made findings based on the information contained in the petition presented to the Town Council and the comments received at the public hearing. Now, therefore,

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

Section 1. The Town Council hereby approves the statements contained in the preamble of this Resolution and finds that all statements are true and correct and incorporate the same in the body of this Resolution.

Section 2. The Town Council, after considering the Petition and the evidence and testimony presented at the public hearing, hereby finds and determines that:

- (a) the Petition was filed with the Town Secretary and was signed by owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current appraisal roll of the appraisal district in which the property is located, and by the record owners of real property liable for assessment under the proposal who own taxable real property that constitutes more than 50 percent of the area of all real property that is liable for assessment under the proposal;

- (b) the proposed public improvements described in the Petition are of the nature of the public improvements described in Section 372.003 of the Act and are advisable and desirable improvements for the District;
- (c) the proposed public improvements will promote the interests of the Town and are of the nature that will confer a special benefit on all property within the District by enhancing the value of such property located within the District;
- (d) the nature of the proposed improvements and estimated costs thereof are set forth and described in Exhibit A attached hereto and made a part hereof for all purposes;
- (e) the boundaries of the District include all of the property that is set forth and described in Exhibit B attached hereto and made a part hereof for all purposes;
- (f) the assessment of costs of the proposed public improvements will be levied on each parcel of property within the District in a manner that results in imposing equal shares of the costs on property similarly benefitted;
- (g) the costs of the proposed public improvements shall be paid by assessment of the property within the District. The Town will pay none of the costs of the proposed public improvements. Any remaining costs of the proposed public improvements will be paid from sources other than assessment of the property within the District, as further described in Exhibit A;
- (h) the management of the District will be by the Town with the assistance of a third-party administrator hired by the Town and paid as part of the annual administrative cost of the District; and
- (i) the District shall be managed without the creation of an advisory body.

Section 3. Based on the foregoing, Hickory Farms Public Improvement District is hereby created and the public improvements described in Exhibit A are authorized to be made in accordance with the service and assessment plan to be approved by the Town Council.

Section 4. After adoption of this resolution, the Town Secretary is authorized and directed to cause a copy of this resolution to be published in a newspaper of general circulation within the Town and in a newspaper of general circulation in the extraterritorial jurisdiction of the Town.

Section 5. If any section, article, paragraph, sentence, clause, phrase or word in this resolution or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this resolution; and the Town Council hereby declares it would have passed such remaining portions of the resolution despite such invalidity, which remaining portions shall remain in full force and effect.

Section 6. The authorization of the District pursuant to this resolution shall take effect upon publication of this resolution as provided above.

EXHIBIT A

Proposed Improvements and Estimated Costs

The improvements consist of (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the district; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vii) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above as well as the costs of issuance, reserve funds, or credit enhancement of any bonds issued for the purposes described above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the Town and confer a special benefit upon the Property. The estimated cost to design, acquire and construct the Authorized Improvements together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District will not exceed \$5,000,000.00.

EXHIBIT B

METES AND BOUNDS DESCRIPTION OF PID BOUNDARY

BEING a 24.277 acre tract of land situated in the H.H. SWISHER SURVEY, ABSTRACT NO. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows;

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013-198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of 653.24 feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;

THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

NOTES:

1. THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.
2. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Item Attachment Documents:

19. Consider and act on a resolution of the Town of Hickory Creek, Texas determining the costs of certain authorized improvements to be financed by the Hickory Farms Public Improvement District; approving the Hickory Farms Public Improvement District Preliminary Service And Assessment Plan, including proposed assessment roll; directing the filing of the proposed assessment roll with the Town Secretary; calling a public hearing to consider an ordinance levying assessments on property located within the hickory farms public improvement district; directing the town staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
COUNTY OF DENTON
TOWN OF HICKORY CREEK

We, the undersigned officers of the Town of Hickory Creek (the "Town"), hereby certify as follows:

1. The Town Council of said Town convened in regular meeting on May 21, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Town Council, to-wit:

Lynn Clark; Mayor
Tracee Elrod; Place 1
Chris Gordon; Place 3

Paul Kenney; Place 4, Mayor Pro Tem
Richard DuPree; Place 2
Ian Theodore; Place 5

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written resolution entitled

A RESOLUTION OF THE TOWN OF HICKORY CREEK, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; APPROVING THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT PRELIMINARY SERVICE AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL WITH THE TOWN SECRETARY; CALLING A PUBLIC HEARING TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE TOWN STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO

was duly introduced for the consideration of said Town Council. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTAIN: ____

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Town Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Town Council's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Town Council as indicated therein; that each of the officers and members of said Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said Town has approved and hereby approves the aforesaid Resolution; that the Mayor and the Town Secretary of said Town have duly signed said Resolution; and that the Mayor and the Town Secretary of said Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED ON May 21, 2019.

Mayor
Town of Hickory Creek, Texas

Town Secretary
Town of Hickory Creek, Texas

(TOWN SEAL)

RESOLUTION OF THE TOWN OF HICKORY CREEK, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; APPROVING THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT PRELIMINARY SERVICE AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL WITH THE TOWN SECRETARY; CALLING A PUBLIC HEARING TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE TOWN STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO

TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-___

A RESOLUTION OF THE TOWN OF HICKORY CREEK, TEXAS DETERMINING THE COSTS OF CERTAIN AUTHORIZED IMPROVEMENTS TO BE FINANCED BY THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; APPROVING THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT PRELIMINARY SERVICE AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLL; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLL WITH THE TOWN SECRETARY; CALLING A PUBLIC HEARING TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE TOWN STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act") authorizes the governing body (the "Town Council") of the Town of Hickory Creek, Texas (the "Town"), to create a public improvement district within the Town; and

WHEREAS, the Town Council has approved a resolution (the "Authorization Resolution"), authorizing, establishing and creating the Hickory Farms Public Improvement District (the "District"); and

WHEREAS, the Town Council and the Town staff have been presented a "Town of Hickory Creek Hickory Farms Public Improvement District Preliminary Service and Assessment Plan" (the "Preliminary SAP") including the proposed assessment roll attached thereto (the "Proposed Assessment Roll"), a copy of which is attached hereto as Exhibit A and is incorporated herein for all purposes; and

WHEREAS, the Preliminary SAP sets forth the estimated total costs of certain Authorized Improvements (as defined in the Preliminary SAP) to be financed by the District and the Proposed Assessment Roll state the assessments proposed to be levied against each parcel of land the District as determined by the method of assessment chosen by the Town; and

WHEREAS, the Act requires that that the Proposed Assessment Roll be filed with the Town Secretary of the Town (the "Town Secretary") and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the "Assessment Hearing") be held to consider proposed assessments and requires the Town Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the Town

and in a newspaper of general circulation in the extraterritorial jurisdiction of the Town before the 10th day before the date of the Assessment Hearing;

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS AS FOLLOWS:

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the Town Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The Town Council hereby accepts the Preliminary SAP for the District, including the Proposed Assessment Roll.

SECTION 3. The Town Council hereby determines that the total costs of the "Authorized Improvements" (as defined in the Preliminary SAP) to be financed by the District are set forth in Section III and Exhibit C of the Preliminary SAP, which costs include payment of expensed incurred in the formation and administration of the District or related to the issuance of any bonds. Annual expenses incurred in the administration of the District are shown in the Proposed Assessment Roll.

SECTION 4. The Town Council hereby authorizes and directs the filing of the Proposed Assessment Roll with the Town Secretary and the same shall be available for public inspection.

SECTION 5. The Town Council hereby calls a public hearing (the Assessment Hearing as defined above) to be held on June 18, 2019 at 6:30 p.m. in the regular meeting place of the Town Council in the Council Chamber in the Town Hall located at 1075 Ronald Reagan Avenue, Hickory Creek, Texas 75065, at which the Town Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the Town Council may consider an ordinance levying the assessments as special assessments on certain property within the District.

SECTION 6. The Town Council hereby authorizes and directs the Town Secretary to publish notice of the Assessment Hearing, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the Town and in a newspaper of general circulation in the extraterritorial jurisdiction of the Town, as required by Section 372.016(b) of the Act.

SECTION 7. The Town Council hereby authorizes and directs the Town Secretary to mail notice of the Assessment Hearing to owners of property liable for the assessment, as required by Section 372.016(c) of the Act.

SECTION 8. This Resolution shall become effective from and after its date of passage in accordance with law.

EXHIBIT A

**HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT
PRELIMINARY SERVICE AND ASSESSMENT PLAN**

Hickory Creek Public Improvement District No. 3

PRELIMINARY SERVICE AND ASSESSMENT PLAN

MAY 15, 2019

VERSION 1.5



AUSTIN, TX | KELLER, TX

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On May 21, 2019, the Town passed and approved Resolution No. [REDACTED] authorizing the creation of the District in accordance with the Act, which authorization was effective upon publication as required by the Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 24.277 acres located within the corporate limits of the Town, as described legally by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**.

The Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the Town. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Assessment Roll is contained in **Exhibit F**.

SECTION I: DEFINITIONS

“Act” means Chapter 372, Texas Local Government Code, as amended.

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner of the District: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the Town and/or a political subdivision of the State of Texas; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% interest charged on Assessments pursuant to Section 372.018 of the Act.

“Administrator” means the Town or the person or independent firm designated by the Town who shall have the responsibility provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Town related to the duties and responsibility of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the administration, operation, and maintenance of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the Town; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and

redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the Town Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Town Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the Act.

“Assessment Ordinance” means any ordinance adopted by the Town Council in accordance with the Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the Act as more specifically described in **Section III** and depicted on **Exhibit H**.

“County” means Denton County, Texas.

“District” means the Hickory Creek Public Improvement District No. 3, consisting of approximately 24.277 acres within the corporate limits of the Town, as described by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**.

“District Formation and Bond Issuance Costs” mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, Town costs, capitalized interest, reserve fund requirements, 1st year District administration reserves, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended from time to time, between the Town and the Trustee setting forth terms and conditions related to the PID Bonds.

“Initial Parcel” means all of the area within the District as generally shown on **Exhibit B** and as described by metes and bounds in **Exhibit A** consisting of approximately 24.277 acres.

“Lot” means for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, buildout value, etc.), as determined by the Administrator and confirmed by the Town Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated buildout value of the Lot as determined by the Administrator and confirmed by the Town Council.

“Lot Type 1” means a Lot designated as a 50’ x 109’ Lot on the concept plan attached as **Exhibit J**.

“Lot Type 2” means a Lot designated as a 60’ x 109’ Lot on the concept Plan attached as **Exhibit J**.

“Maximum Assessment” means (1) For Lot Type 1 Lots, \$29,993.57, and (2) For Lot Type 2 Lots, \$30,767.59. The calculation of the Maximum Assessment is shown on **Exhibit K**.

“Notice of Assessment Termination” means a recorded document evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

“Owner” means MM Hickory Creek 24, LLC.

“Parcel(s)” means a property identified by either a tax map identification number assigned by the Denton Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the Town.

“PID Bonds” mean bonds issued by the Town that are secured by Assessments levied on Assessed Property within the District.

“Prepayment” means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of Assessment are not to be considered a Prepayment, reasonably expected to be incurred by or imposed upon the County as a result of any Prepayment.

“Prepayment Costs” mean interest and Annual Collection Costs incurred up to the date of Prepayment.

“Service and Assessment Plan” means this Service and Assessment Plan, as it may be modified and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Town” means the Town of Hickory Creek, Texas.

“Town Council” means the governing body of the Town.

“Trustee” means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 24.277 acres within the Town, as described legally by metes and bounds on **Exhibit A** and as depicted by the map on **Exhibit B**. Development of the District is anticipated to include 130 single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

The Town, based on information provided by the Owner and its engineer and review by the Town staff and by third-party consultants retained by the Town, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town and/or Lake City Municipal Utility Authority (LCMUA). The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

Authorized Improvements

- *Street*

Improvements within the PID include connecting to Ronald Reagan Avenue and the construction on-site improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with the Town of Hickory Creek standards and specifications and will be owned and operated by the Town.

- *Water*

Improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with the Town, Lake City Municipal Utility Authority (LCMUA) and Texas Commission on Environmental Quality (TCEQ) standards and specifications and will be owned and operated by LCMUA.

- *Sanitary Sewer*

Improvements The sanitary sewer collection system improvements within consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property.

The sanitary sewer improvements will be designed and constructed in accordance the Town, LCMUA and TCEQ standards and specifications and will be owned and operated by LCMUA.

- *Storm Drainage*

Improvements collection system improvements consist of the construction of two (2) retention/detention pond, including excavation to a depth of 8-feet and the associated drainage improvements for each pond, reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with the Town standards and specifications and will be owned and operated by the Town.

- *Soft Costs*

Costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, Town fees, engineering, soil testing, survey and construction management.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

- *District Formation*

Includes 1st year District administration reserves, costs and expenses directly associated with forming the District.

SECTION IV: SERVICE PLAN

The Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated each year in the Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The Act allows the Town to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the Town, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the Town that results in imposing equal shares of such costs on property similarly benefited. The Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the Town of the assessment methodologies set forth below is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The Town Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the Town staff and by third-party consultants retained by the Town, has determined that the Authorized Improvements shall be allocated entirely to the Initial Parcel.

B. Assessments

Assessments will be levied on each Parcel within the District according to the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments of the District are shown on **Exhibit G**.

C. Findings of Special Benefit

The Town Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the Town staff and by third-party consultants retained by the Town, has found and determined:

1. The costs of the Authorized Improvements plus District Formation and Bond Issuance Costs equal \$4,570,310 as shown on **Exhibit C**; and
2. The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Costs of the Authorized Improvements; and
3. The Assessed Property will be allocated 100% of the Assessments levied for the Authorized Improvements, which equal \$3,910,000. as shown on the Assessment Roll, attached as **Exhibit F**; and
4. The special benefit (\geq \$4,570,310) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments (\$3,910,000) levied on the Authorized Improvements.
5. At the time the Town Council approved the Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner acknowledged that the Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Town Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of Assessments on the Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of an in the same manner as Annual Installments in the

amounts shown on the Assessment Roll, which may be revised in Annual Service Plan Updates based on Actual Costs incurred.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest. Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the Town Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the

Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the Town Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the Town an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the Town Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the Town Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot

or Parcel, which allocation shall be approved by the Town Council in the next Annual Service Plan Update.

B. Mandatory Prepayment of Assessments if Maximum Assessment Exceeded

If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner must prepay the portion of the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

C. Mandatory Prepayment of Assessments if Transferred to Exempt Entity

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments, the owner transferring the Assessed Property shall pay to the Town or the Administrator on behalf of the Town the full amount of the Assessment, plus Additional Interest, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Additional Interest, prior to the change in status.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The resulting excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update and submit to the Town Council for review and approval as part of the next Annual Service Plan Update the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the Act. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the Town Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the Town shall provide the owner with a recordable Notice of Assessment Termination, a form of which is attached as **Exhibit I**.

If an Assessment is paid in part, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the Town Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for the District. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the Town Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced in accordance with the Indenture, taking into account capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the Town in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the Act and in the same manner as ad valorem taxes for the Town. The Town Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The Town reserves the right to refund PID Bonds in accordance with the Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid by January 31, 2020.

SECTION VII: ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the Town Council for review and approval, proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following Town Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Town Council and the owner within 30 days of such referral. The Town Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the Town Council shall make a final determination as to whether an error has been made. If the Town Council determines that an error has been made, the Town Council may take such corrective action as is authorized by the Act, this Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is otherwise authorized by the discretionary power of the Town Council. The determination by the Town Council as to whether an error has been made, and any corrective action taken by the Town Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the Town Council in accordance with the Act. To the extent permitted by the Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the Town Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and

shall be appealable to the Town Council by owners or Owners adversely affected by the interpretation. Appeals shall be decided by the Town Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the Town Council shall be final and binding on the owners and Owners and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A	District Legal Description
Exhibit B	District Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Assessment Roll
Exhibit G	Annual Installments
Exhibit G-1	Lot Type 1 Annual Installments
Exhibit G-2	Lot Type 2 Annual Installments
Exhibit H	Map of Authorized Improvements
Exhibit I	Notice of Assessment Termination
Exhibit J	Concept Plan
Exhibit K	Maximum Assessment Calculation

EXHIBIT A – DISTRICT LEGAL DESCRIPTION

BEING a 24.277 acre tract of land situated in the H.H. SWISHER SURVEY, ABSTRACT NO. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows;

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013- 198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of

653.24 feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

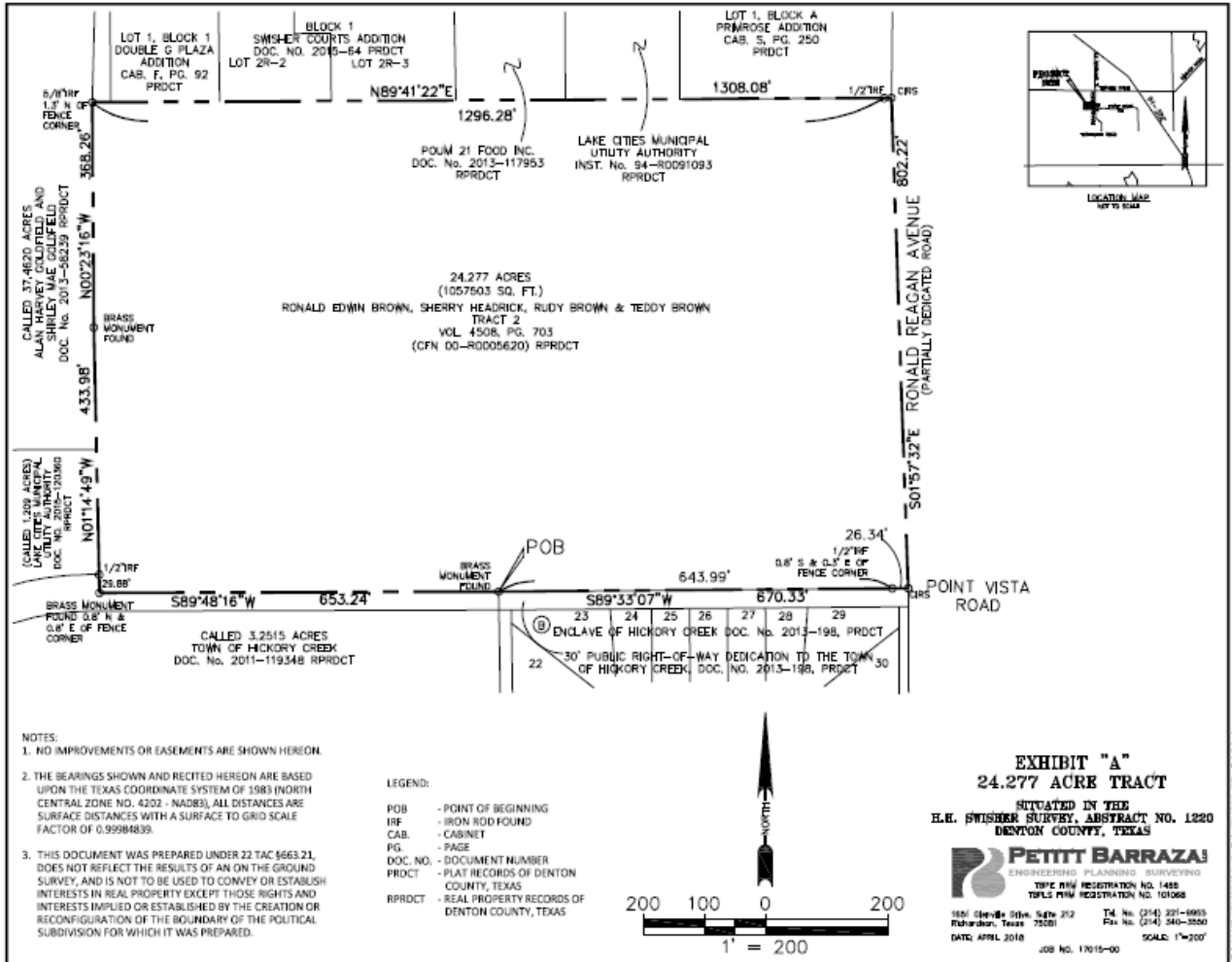
THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;

THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

NOTES:

1. THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.
2. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

EXHIBIT B – DISTRICT BOUNDARY MAP



SHEET 2 OF 2

EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs	Hickory Creek PID No. 3		Non-PID (Private)	
		%	Cost	%	Cost
Authorized Improvements					
Street ¹	\$ 1,760,939	73.94%	\$ 1,302,039	26.06%	\$ 458,900
Water	735,850	100.00%	735,850	0.00%	-
Sanitary Sewer	351,972	100.00%	351,972	0.00%	-
Storm Drainage	493,221	100.00%	493,221	0.00%	-
Soft Costs and Contingency ²	726,430	83.44%	606,103	16.56%	120,327
	<u>\$ 4,068,412</u>		<u>\$ 3,489,185</u>		<u>\$ 579,227</u>
PID Formation and Bond Issuance Costs					
Debt Service Reserve Fund	\$ 279,575		\$ 279,575		\$ -
Capitalized Interest	430,100		430,100		-
Underwriter Discount	117,300		117,300		-
Cost of Issuance	254,150		254,150		-
	<u>\$ 1,081,125</u>		<u>\$ 1,081,125</u>		<u>\$ -</u>
Total	<u>\$ 5,149,537</u>		<u>\$ 4,570,310</u>		<u>\$ 579,227</u>

Notes:

- 1) Lot preparation, retaining walls, and franchise utilities are included in Street Improvements, but are not allocable to the District.
- 2) Material testing is included in Soft Costs, but is not allocable to the District.

EXHIBIT D – SERVICE PLAN

Hickory Creek PID No. 3						
Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
Principal		\$ -	\$ -	\$ 60,000	\$ 65,000	\$ 70,000
Interest		215,050	215,050	215,050	211,750	208,175
Capitalized Interest		(215,050)	(215,050)	-	-	-
	(1)	\$ -	\$ -	\$ 275,050	\$ 276,750	\$ 278,175
Annual Collection Costs	(2)	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Additional Interest Reserve	(3)	\$ 19,550	\$ 19,550	\$ 19,550	\$ 19,250	\$ 18,925
Annual Installment	(4) = (1) + (2) + (3)	\$ 49,550	\$ 50,150	\$ 325,812	\$ 327,836	\$ 329,573

EXHIBIT E – SOURCES AND USES

Sources of Funds		
Par Bond Amount	\$	3,910,000
Developer Contribution		660,310
Total Sources	\$	4,570,310
Uses of Funds		
Authorized Improvements	\$	3,489,185
<i>District Formation and Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$	279,575
Capitalized Interest		430,100
Underwriter Discount		117,300
Cost of Issuance		254,150
	\$	1,081,125
Total Uses	\$	4,570,310

EXHIBIT F – ASSESSMENT ROLL

Parcel ID	Hickory Creek PID No. 3	
	Outstanding Assessment	Annual Installment Due 1/31/2020 ¹
Initial Parcel	\$ 3,910,000.00	\$ 49,550.00
Total	\$ 3,910,000.00	\$ 49,550.00

Notes:

1) Net of Capitalized Interest.

EXHIBIT G – ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2020	\$ -	\$ 215,050	\$ 30,000	\$ 19,550	\$ (215,050)	\$ -	\$ 49,550
2021	\$ -	\$ 215,050	\$ 30,600	\$ 19,550	\$ (215,050)	\$ -	\$ 50,150
2022	\$ 60,000	\$ 215,050	\$ 31,212	\$ 19,550	\$ -	\$ -	\$ 325,812
2023	\$ 65,000	\$ 211,750	\$ 31,836	\$ 19,250	\$ -	\$ -	\$ 327,836
2024	\$ 70,000	\$ 208,175	\$ 32,473	\$ 18,925	\$ -	\$ -	\$ 329,573
2025	\$ 75,000	\$ 204,325	\$ 33,122	\$ 18,575	\$ -	\$ -	\$ 331,022
2026	\$ 75,000	\$ 200,200	\$ 33,785	\$ 18,200	\$ -	\$ -	\$ 327,185
2027	\$ 80,000	\$ 196,075	\$ 34,461	\$ 17,825	\$ -	\$ -	\$ 328,361
2028	\$ 85,000	\$ 191,675	\$ 35,150	\$ 17,425	\$ -	\$ -	\$ 329,250
2029	\$ 90,000	\$ 187,000	\$ 35,853	\$ 17,000	\$ -	\$ -	\$ 329,853
2030	\$ 95,000	\$ 182,050	\$ 36,570	\$ 16,550	\$ -	\$ -	\$ 330,170
2031	\$ 100,000	\$ 176,825	\$ 37,301	\$ 16,075	\$ -	\$ -	\$ 330,201
2032	\$ 105,000	\$ 171,325	\$ 38,047	\$ 15,575	\$ -	\$ -	\$ 329,947
2033	\$ 110,000	\$ 165,550	\$ 38,808	\$ 15,050	\$ -	\$ -	\$ 329,408
2034	\$ 120,000	\$ 159,500	\$ 39,584	\$ 14,500	\$ -	\$ -	\$ 333,584
2035	\$ 125,000	\$ 152,900	\$ 40,376	\$ 13,900	\$ -	\$ -	\$ 332,176
2036	\$ 130,000	\$ 146,025	\$ 41,184	\$ 13,275	\$ -	\$ -	\$ 330,484
2037	\$ 140,000	\$ 138,875	\$ 42,007	\$ 12,625	\$ -	\$ -	\$ 333,507
2038	\$ 145,000	\$ 131,175	\$ 42,847	\$ 11,925	\$ -	\$ -	\$ 330,947
2039	\$ 155,000	\$ 123,200	\$ 43,704	\$ 11,200	\$ -	\$ -	\$ 333,104
2040	\$ 160,000	\$ 114,675	\$ 44,578	\$ 10,425	\$ -	\$ -	\$ 329,678
2041	\$ 170,000	\$ 105,875	\$ 45,470	\$ 9,625	\$ -	\$ -	\$ 330,970
2042	\$ 180,000	\$ 96,525	\$ 46,379	\$ 8,775	\$ -	\$ -	\$ 331,679
2043	\$ 190,000	\$ 86,625	\$ 47,307	\$ 7,875	\$ -	\$ -	\$ 331,807
2044	\$ 200,000	\$ 76,175	\$ 48,253	\$ 6,925	\$ -	\$ -	\$ 331,353
2045	\$ 210,000	\$ 65,175	\$ 49,218	\$ 5,925	\$ -	\$ -	\$ 330,318
2046	\$ 225,000	\$ 53,625	\$ 50,203	\$ 4,875	\$ -	\$ -	\$ 333,703
2047	\$ 235,000	\$ 41,250	\$ 51,207	\$ 3,750	\$ -	\$ -	\$ 331,207
2048	\$ 250,000	\$ 28,325	\$ 52,231	\$ 2,575	\$ -	\$ -	\$ 333,131
2049	\$ 265,000	\$ 14,575	\$ 53,275	\$ 1,325	\$ -	\$ 279,575	\$ 613,750
Total	\$ 3,910,000	\$ 4,274,600	\$ 1,217,042	\$ 388,600	\$ (430,100)	\$ 279,575	\$ 9,639,717

(a) Interest is calculated at a 5.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – LOT TYPE 1 ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2020	\$ -	\$ 1,650	\$ 230	\$ 150	\$ (1,650)	\$ -	\$ 380
2021	\$ -	\$ 1,650	\$ 235	\$ 150	\$ (1,650)	\$ -	\$ 385
2022	\$ 460	\$ 1,650	\$ 239	\$ 150	\$ -	\$ -	\$ 2,499
2023	\$ 499	\$ 1,624	\$ 244	\$ 148	\$ -	\$ -	\$ 2,515
2024	\$ 537	\$ 1,597	\$ 249	\$ 145	\$ -	\$ -	\$ 2,528
2025	\$ 575	\$ 1,567	\$ 254	\$ 142	\$ -	\$ -	\$ 2,539
2026	\$ 575	\$ 1,536	\$ 259	\$ 140	\$ -	\$ -	\$ 2,510
2027	\$ 614	\$ 1,504	\$ 264	\$ 137	\$ -	\$ -	\$ 2,519
2028	\$ 652	\$ 1,470	\$ 270	\$ 134	\$ -	\$ -	\$ 2,526
2029	\$ 690	\$ 1,434	\$ 275	\$ 130	\$ -	\$ -	\$ 2,530
2030	\$ 729	\$ 1,397	\$ 281	\$ 127	\$ -	\$ -	\$ 2,533
2031	\$ 767	\$ 1,356	\$ 286	\$ 123	\$ -	\$ -	\$ 2,533
2032	\$ 805	\$ 1,314	\$ 292	\$ 119	\$ -	\$ -	\$ 2,531
2033	\$ 844	\$ 1,270	\$ 298	\$ 115	\$ -	\$ -	\$ 2,527
2034	\$ 921	\$ 1,224	\$ 304	\$ 111	\$ -	\$ -	\$ 2,559
2035	\$ 959	\$ 1,173	\$ 310	\$ 107	\$ -	\$ -	\$ 2,548
2036	\$ 997	\$ 1,120	\$ 316	\$ 102	\$ -	\$ -	\$ 2,535
2037	\$ 1,074	\$ 1,065	\$ 322	\$ 97	\$ -	\$ -	\$ 2,558
2038	\$ 1,112	\$ 1,006	\$ 329	\$ 91	\$ -	\$ -	\$ 2,539
2039	\$ 1,189	\$ 945	\$ 335	\$ 86	\$ -	\$ -	\$ 2,555
2040	\$ 1,227	\$ 880	\$ 342	\$ 80	\$ -	\$ -	\$ 2,529
2041	\$ 1,304	\$ 812	\$ 349	\$ 74	\$ -	\$ -	\$ 2,539
2042	\$ 1,381	\$ 740	\$ 356	\$ 67	\$ -	\$ -	\$ 2,544
2043	\$ 1,457	\$ 664	\$ 363	\$ 60	\$ -	\$ -	\$ 2,545
2044	\$ 1,534	\$ 584	\$ 370	\$ 53	\$ -	\$ -	\$ 2,542
2045	\$ 1,611	\$ 500	\$ 378	\$ 45	\$ -	\$ -	\$ 2,534
2046	\$ 1,726	\$ 411	\$ 385	\$ 37	\$ -	\$ -	\$ 2,560
2047	\$ 1,803	\$ 316	\$ 393	\$ 29	\$ -	\$ -	\$ 2,541
2048	\$ 1,918	\$ 217	\$ 401	\$ 20	\$ -	\$ -	\$ 2,555
2049	\$ 2,033	\$ 112	\$ 409	\$ 10	\$ -	\$ (2,145)	\$ 419
Total	\$ 29,994	\$ 32,790	\$ 9,336	\$ 2,981	\$ (3,299)	\$ (2,145)	\$ 69,657

(a) Interest is calculated at a 5.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

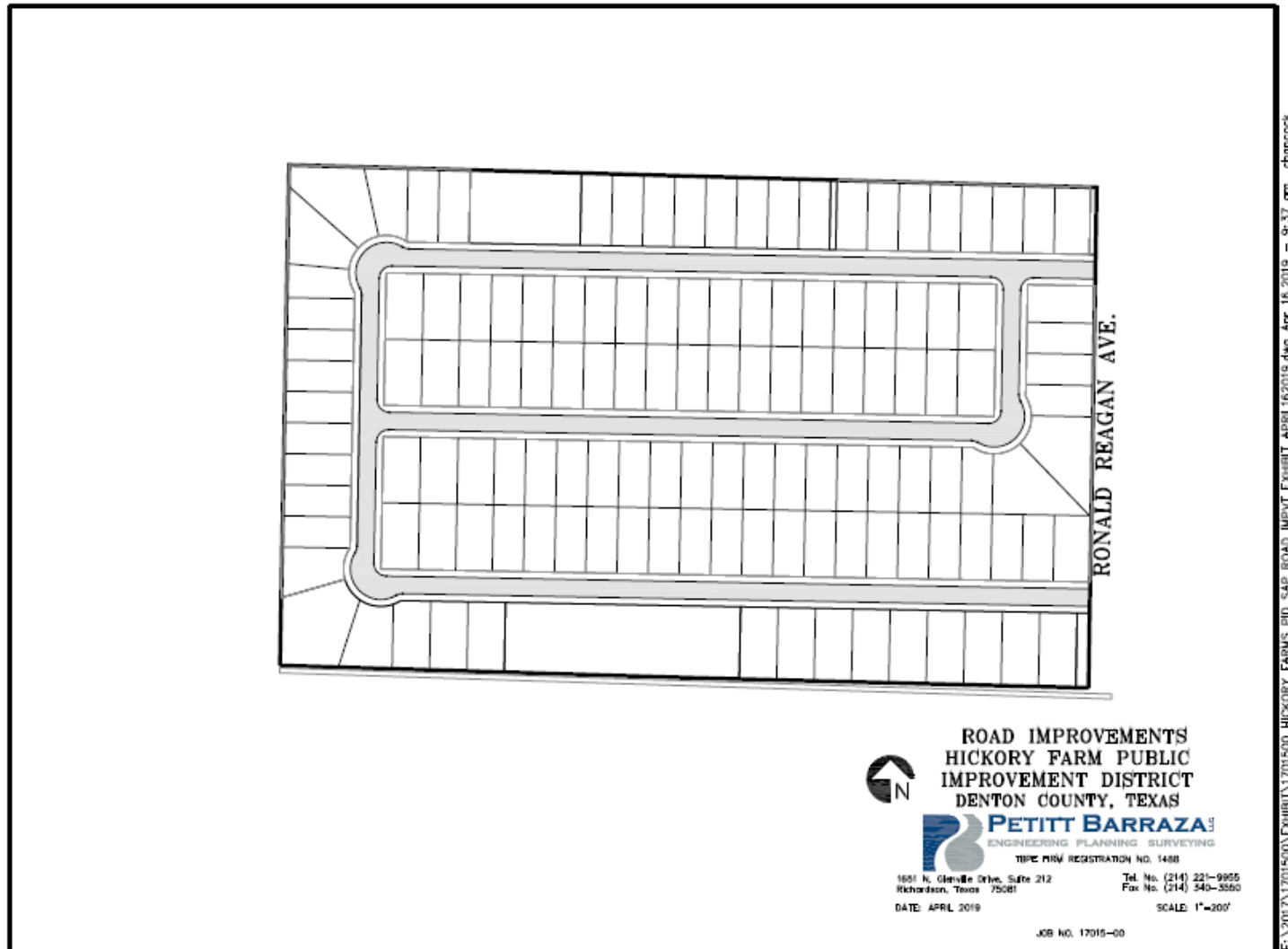
EXHIBIT G-2 – LOT TYPE 2 ANNUAL INSTALLMENTS

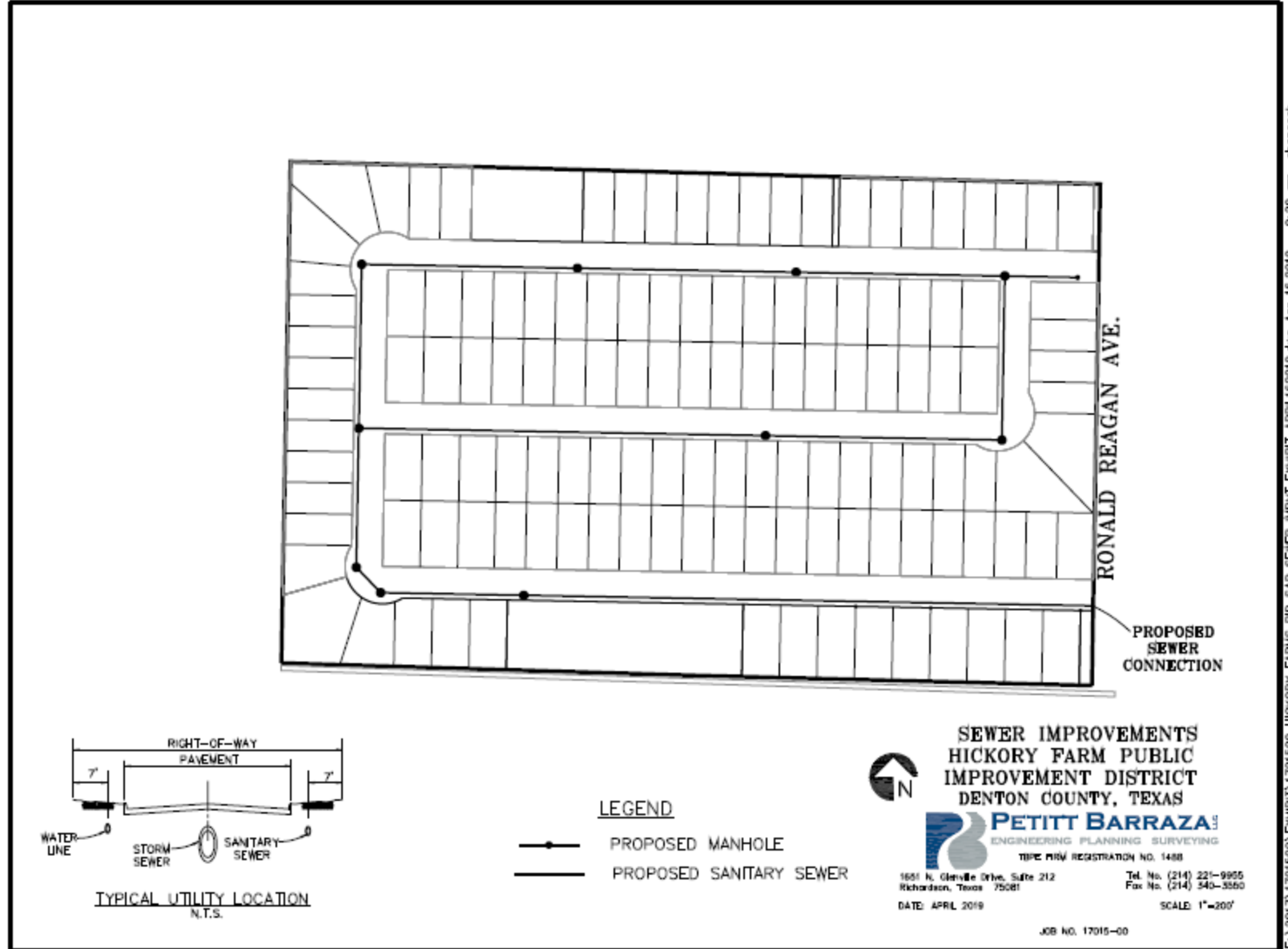
Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2020	\$ -	\$ 1,692	\$ 236	\$ 154	\$ (1,692)	\$ -	\$ 390
2021	\$ -	\$ 1,692	\$ 241	\$ 154	\$ (1,692)	\$ -	\$ 395
2022	\$ 472	\$ 1,692	\$ 246	\$ 154	\$ -	\$ -	\$ 2,564
2023	\$ 511	\$ 1,666	\$ 251	\$ 151	\$ -	\$ -	\$ 2,580
2024	\$ 551	\$ 1,638	\$ 256	\$ 149	\$ -	\$ -	\$ 2,593
2025	\$ 590	\$ 1,608	\$ 261	\$ 146	\$ -	\$ -	\$ 2,605
2026	\$ 590	\$ 1,575	\$ 266	\$ 143	\$ -	\$ -	\$ 2,575
2027	\$ 630	\$ 1,543	\$ 271	\$ 140	\$ -	\$ -	\$ 2,584
2028	\$ 669	\$ 1,508	\$ 277	\$ 137	\$ -	\$ -	\$ 2,591
2029	\$ 708	\$ 1,471	\$ 282	\$ 134	\$ -	\$ -	\$ 2,596
2030	\$ 748	\$ 1,433	\$ 288	\$ 130	\$ -	\$ -	\$ 2,598
2031	\$ 787	\$ 1,391	\$ 294	\$ 126	\$ -	\$ -	\$ 2,598
2032	\$ 826	\$ 1,348	\$ 299	\$ 123	\$ -	\$ -	\$ 2,596
2033	\$ 866	\$ 1,303	\$ 305	\$ 118	\$ -	\$ -	\$ 2,592
2034	\$ 944	\$ 1,255	\$ 311	\$ 114	\$ -	\$ -	\$ 2,625
2035	\$ 984	\$ 1,203	\$ 318	\$ 109	\$ -	\$ -	\$ 2,614
2036	\$ 1,023	\$ 1,149	\$ 324	\$ 104	\$ -	\$ -	\$ 2,601
2037	\$ 1,102	\$ 1,093	\$ 331	\$ 99	\$ -	\$ -	\$ 2,624
2038	\$ 1,141	\$ 1,032	\$ 337	\$ 94	\$ -	\$ -	\$ 2,604
2039	\$ 1,220	\$ 969	\$ 344	\$ 88	\$ -	\$ -	\$ 2,621
2040	\$ 1,259	\$ 902	\$ 351	\$ 82	\$ -	\$ -	\$ 2,594
2041	\$ 1,338	\$ 833	\$ 358	\$ 76	\$ -	\$ -	\$ 2,604
2042	\$ 1,416	\$ 760	\$ 365	\$ 69	\$ -	\$ -	\$ 2,610
2043	\$ 1,495	\$ 682	\$ 372	\$ 62	\$ -	\$ -	\$ 2,611
2044	\$ 1,574	\$ 599	\$ 380	\$ 54	\$ -	\$ -	\$ 2,607
2045	\$ 1,652	\$ 513	\$ 387	\$ 47	\$ -	\$ -	\$ 2,599
2046	\$ 1,771	\$ 422	\$ 395	\$ 38	\$ -	\$ -	\$ 2,626
2047	\$ 1,849	\$ 325	\$ 403	\$ 30	\$ -	\$ -	\$ 2,606
2048	\$ 1,967	\$ 223	\$ 411	\$ 20	\$ -	\$ -	\$ 2,621
2049	\$ 2,085	\$ 115	\$ 419	\$ 10	\$ -	\$ (2,200)	\$ 430
Total	\$ 30,768	\$ 33,637	\$ 9,577	\$ 3,058	\$ (3,384)	\$ (2,200)	\$ 71,455

(a) Interest is calculated at a 5.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – MAP OF AUTHORIZED IMPROVEMENTS





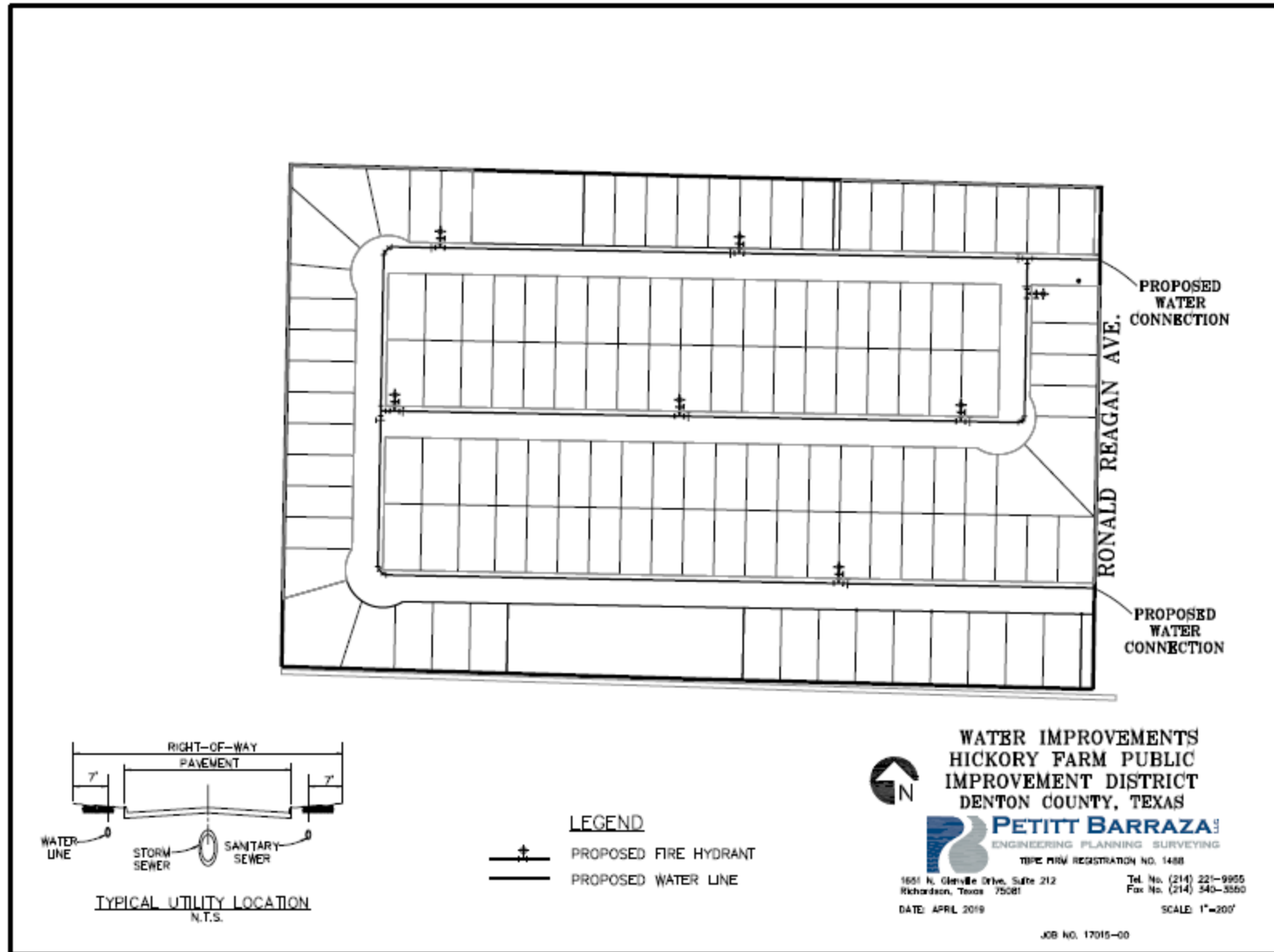


EXHIBIT I – NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
350 Rufe Snow Drive, Suite 200
Keller, TX 76248

[Date]
Denton County Clerk's Office
Honorable [County Clerk Name]
Denton County Courts Building
1450 East McKinney St, Denton, TX 76209

Re: Town of Hickory Creek Lien Release Documents for Filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the Town of Hickory Creek is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

Town of Hickory Creek
Attn: [Town Secretary]
1075 Ronald Reagan Ave
Hickory Creek, TX 75065

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (512)568-5432
jon@p3-works.com

**[Town Secretary Name]
1075 Ronald Reagan Ave
Hickory Creek, TX 75065**

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the Town of Hickory Creek, Texas, a Texas home rule municipality.

WHEREAS, the governing body (hereinafter referred to as the "Town Council") of the Town of Hickory Creek, Texas (hereinafter referred to as the "Town"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the Town; and

WHEREAS, the Hickory Creek Public Improvement District No. 3 consists of approximately 24.277 contiguous acres within the corporate limits of the Town; and

WHEREAS, on or about _____, the Town Council approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Hickory Creek Public Improvement District No. 3; and

EXHIBIT J - CONCEPT PLAN

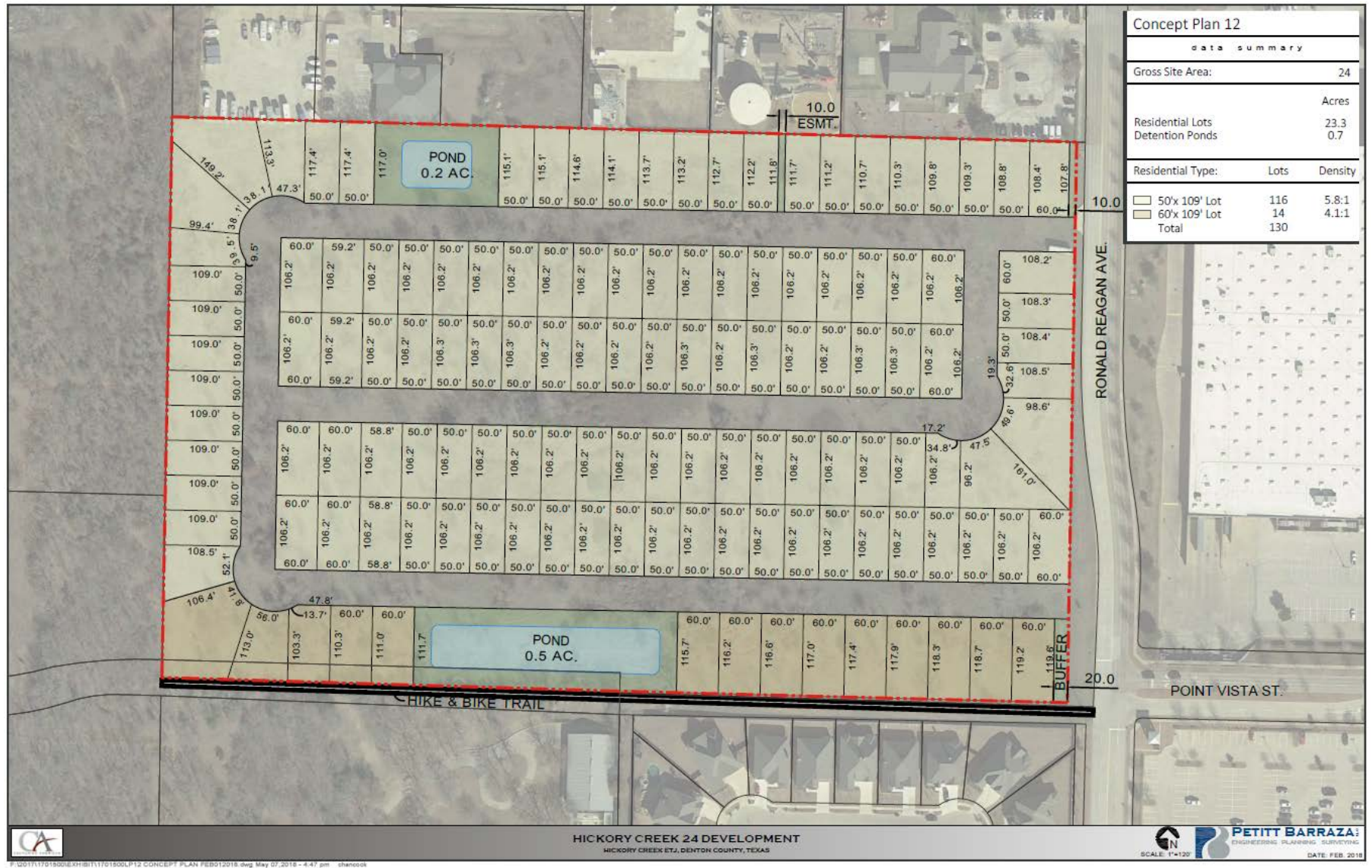


EXHIBIT K – MAXIMUM ASSESSMENT CALCULATION

Lot Type	Units ¹	Estimated AV Per Unit ¹	Total Assessed Value	Allocation of Assessments	Total Assessment	Maximum Assessment Per Unit
<i>Hickory Creek PID No. 3</i>						
Lot Type 1 (50')	116	\$ 348,750	\$ 40,455,000	88.98%	\$ 3,479,254	\$ 29,993.57
Lot Type 2 (60')	14	\$ 357,750	\$ 5,008,500	11.02%	\$ 430,746	\$ 30,767.59
	130		\$ 45,463,500	100.00%	\$ 3,910,000	

Notes:

1) As reported by the Owner.

EXHIBIT B
TOWN OF HICKORY CREEK, TEXAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the Town Council of Hickory Creek, Texas at 6:30 p.m. on June 18, 2019 at Hickory Creek Town Hall, 1075 Ronald Reagan Avenue, Hickory Creek, Texas 75065. The public hearing will be held to consider proposed assessments to be levied against certain assessable property within the Hickory Farms Public Improvement District ("District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed improvements authorized by the Act to be undertaken and financed for the benefit of certain property within the District (the "Authorized Improvements") include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the district; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vii) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above as well as the costs of issuance, reserve funds, or credit enhancement of any bonds issued for the purposes described above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the Town and confer a special benefit upon the Property. The estimated cost to design, acquire and construct the Authorized Improvements together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District will not exceed \$5,000,000.00.

The District includes approximately 24.3 acres of land generally located south of Swisher Road/Teasly Drive, west of Ronald Reagan Avenue, and east of Parkridge Drive, located within the extraterritorial jurisdiction of the Town and as more particularly described by a metes and bounds attached hereto.

All written or oral objections on the proposed assessments within the District will be considered at the public hearing.

A copy of the proposed assessment roll relating to the Authorized Improvements to be undertaken at this time, which includes the assessments to be levied against certain assessable parcels in the District, is available for public inspection at the office of the Town Secretary, Hickory Creek Town Hall, 1075 Ronald Reagan Avenue, Hickory Creek, Texas 75065.

DISTRICT BOUNDARIES

24.277 ACRE TRACT

BEING a 24.277 acre tract of land situated in the H.H. SWISHER SURVEY, ABSTRACT NO. 1220, Denton County, Texas and being part of that certain tract of land described in a Gift Deed to Ronald Edwin Brown, Sherry Headrick, Rudy Brown, and Teddy Brown, recorded in Volume 4508, Page 703 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described as follows;

BEGINNING at a brass monument found for the Northwest corner of the Enclave of Hickory Creek, an addition to the Town of Hickory Creek, Denton County, Texas according to the plat thereof recorded in Document No. 2013- 198, of the Plat Records of Denton County, Texas, also being in the south line of said Brown tract, also being the northeast corner of a called 3.2515 acre tract of land described to the Town of Hickory Creek, Texas in Special Warranty Deed recorded in Instrument Number 2011-119348, Official Records of Denton County, Texas, (ORDCT);

Thence South 89°48'16" West along the common line of said Brown tract and said 3.2515 acre tract, a distance of 653.24 feet to a brass monument found for the southwest corner of said Brown tract, also being an angle point in said 3.2515 acre tract and being in the east line of a called 37.4620 acre tract of land described to Alan Harvey Goldfield and Shirley Mae Goldfield in Special Warranty Deed recorded in Instrument Number 2013-58239, (ORDCT);

Thence North 01°14'49" West, with the common line of said Brown tract and said 37.4620 acre tract, passing at a distance of 29.88 feet, a 1/2-inch iron rod found for an angle point in said 3.2515 acre tract, continuing for a total distance of 433.98 feet to a brass disk found for an angle point;

Thence North 00°23'16" West, continuing with the common line of said Brown tract and said 37.4620 acre tract, a distance of 368.26 feet to a 5/8-inch iron rod found for the northwest corner of said Brown tract;

THENCE North 89°41'22" East, with the north line of said Brown tract, passing at a distance of 1296.28 feet a 1/2" iron rod found in the west right of way line of Ronald Reagan Avenue (a variable width Public Right-of-Way at this point), continuing in all a total of 1308.08 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the northeast corner of said 24.277 acre tract;

THENCE South 01°57'32" East, a distance of 802.22 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for the southeast corner of said 24.277 acre tract, also being in the north line of said Enclave of Hickory Creek, also being in the north line of a 30 foot right-of-way dedicated by said Enclave of Hickory Creek plat;

THENCE South 89°33'07" West, with the common line of said Brown tract and said Enclave of Hickory Creek, passing at a distance of 26.34 feet a 1/2-inch iron rod found, continuing in all a total distance of 670.33 feet to the POINT OF BEGINNING, and containing 24.277 acres of land, more or less.

NOTES:

1. THE BEARINGS SHOWN AND RECITED HEREON ARE BASED UPON THE TEXAS COORDINATE SYSTEM OF 1983 (NORTH CENTRAL ZONE NO. 4202 - NAD83), ALL DISTANCES ARE SURFACE DISTANCES WITH A SURFACE TO GRID SCALE FACTOR OF 0.99984839.
2. THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Item Attachment Documents:

20. Consider and act on a resolution approving the form and authorizing the distribution of a preliminary limited offering memorandum for "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)"

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
COUNTY OF DENTON
TOWN OF HICKORY CREEK

We, the undersigned officers of the Town of Hickory Creek (the "Town"), hereby certify as follows:

1. The Town Council of said Town convened in regular meeting on May 21, 2019, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Town Council, to-wit:

Lynn Clark; Mayor
Tracee Elrod; Place 1
Chris Gordon; Place 3

Paul Kenney; Place 4, Mayor Pro Tem
Richard DuPree; Place 2
Ian Theodore; Place 5

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written resolution entitled

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE
DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM
FOR "TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE
BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)"

was duly introduced for the consideration of said Town Council. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: ____ NOES: ____ ABSTAIN: ____

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Town Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Town Council's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Town Council as indicated therein; that each of the officers and members of said Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said Town has approved and hereby approves the aforesaid Resolution; that the Mayor and the Town Secretary of said Town have duly signed said Resolution; and that the Mayor and the Town Secretary of said Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED ON MAY 21, 2019.

Mayor
Town of Hickory Creek, Texas

Town Secretary
Town of Hickory Creek, Texas

(TOWN SEAL)

*Resolution Approving the Form and Authorizing the Distribution of a Preliminary Limited Offering Memorandum
For "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public
Improvement District)*

TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-____

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE
DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM
FOR "TOWN OF HICKORY CREEK, TEXAS, SPECIAL ASSESSMENT REVENUE
BONDS, SERIES 2019 (HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)"

WHEREAS, this Town Council (the "Council") created the Hickory Farms Public Improvement District (the "District"); and

WHEREAS, this Council intends to issue "Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District)" (the "Bonds"), to reimburse the developer for costs of public improvements constructed within the District; and

WHEREAS, there has been presented to this Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "Offering Document") attached as ***Exhibit A***; and

WHEREAS, this Council finds and determines that it is necessary and in the best interests of the Town of Hickory Creek, Texas (the "Town") to approve the preliminary form and content of the Offering Document and authorize the use of the Offering Document in the offering and sale of the Bonds by the Underwriter of the Bonds, FMSbonds, Inc.;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, THAT:

Section 1. The form and content of the Offering Document substantially in the form attached hereto is hereby approved, and the Town Manager of the Town, the Town's bond counsel and the Town's financial advisor are authorized to distribute the same, with such changes, addenda, supplements or amendments as may be approved by the Mayor, the Town Manager, the Town's bond counsel or the Town's financial advisor. The Town hereby authorizes the Offering Document, in the final form approved by the Mayor or Town Manager, to be used by the Underwriter in connection with the marketing and sale of the Bonds.

Section 2. This Resolution shall be effective immediately upon its adoption.

EXHIBIT A
OFFERING DOCUMENT

See attached

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE __, 2019

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN.

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under existing law, subject to the matters described under "TAX MATTERS" herein. See "TAX MATTERS – Tax Exemption" herein for a discussion of Bond Counsel's opinion.



\$(PAR AMOUNT)*
TOWN OF HICKORY CREEK, TEXAS
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

Dated Date: July 1, 2019

Due: September 1, as shown on the inside cover

Interest to Accrue from Date of Delivery

The Town of Hickory Creek, Texas, Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District (the "Bonds")), are being issued by the Town of Hickory Creek, Texas (the "Town"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2019, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by U.S. Bank National Association, Dallas, Texas, as trustee (the "Trustee"), to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the Town pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the Town Council of the Town (the "Town Council") on [BPA DATE], 2019, and an Indenture of Trust, dated as of July 1, 2019, (the "Indenture"), entered into by and between the Town and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the Authorized Improvements (as defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. See "THE AUTHORIZED IMPROVEMENTS" and "APPENDIX B — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the Town payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable properties in the District in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. **The Bonds are not payable from funds raised or to be raised from taxation.** See "SECURITY FOR THE BONDS."

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the Town and accepted by FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton

* Preliminary; subject to change.

L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the Underwriter by its counsel, Winstead PC, and for the Developer by its counsel Miklos Cinclair, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about July 10, 2019.

FMSbonds, Inc.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

CUSIP Prefix: _____ (a)

\$[PAR AMOUNT]*
TOWN OF HICKORY CREEK, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

* *Preliminary; subject to change.*

- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the Town, the Town's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the Town, on any date on or after September 1, 20__ at the redemption price of 100% of the principal amount plus accrued interest to the date of redemptions as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**TOWN OF HICKORY CREEK, TEXAS
TOWN COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Lynn Clark	Mayor	2020
Paul Kenney	Place 4, Mayor Pro Tem	2020
Tracee Elrod	Place 1	2021
Richard DuPree	Place 2	2020
Chris Gordon	Place 3	2021
Ian Theodore	Place 5	2021

TOWN ADMINISTRATOR	TOWN SECRETARY
John Smith	Kristi Rogers

PID ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE TOWN
Hilltop Securities Inc.

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.

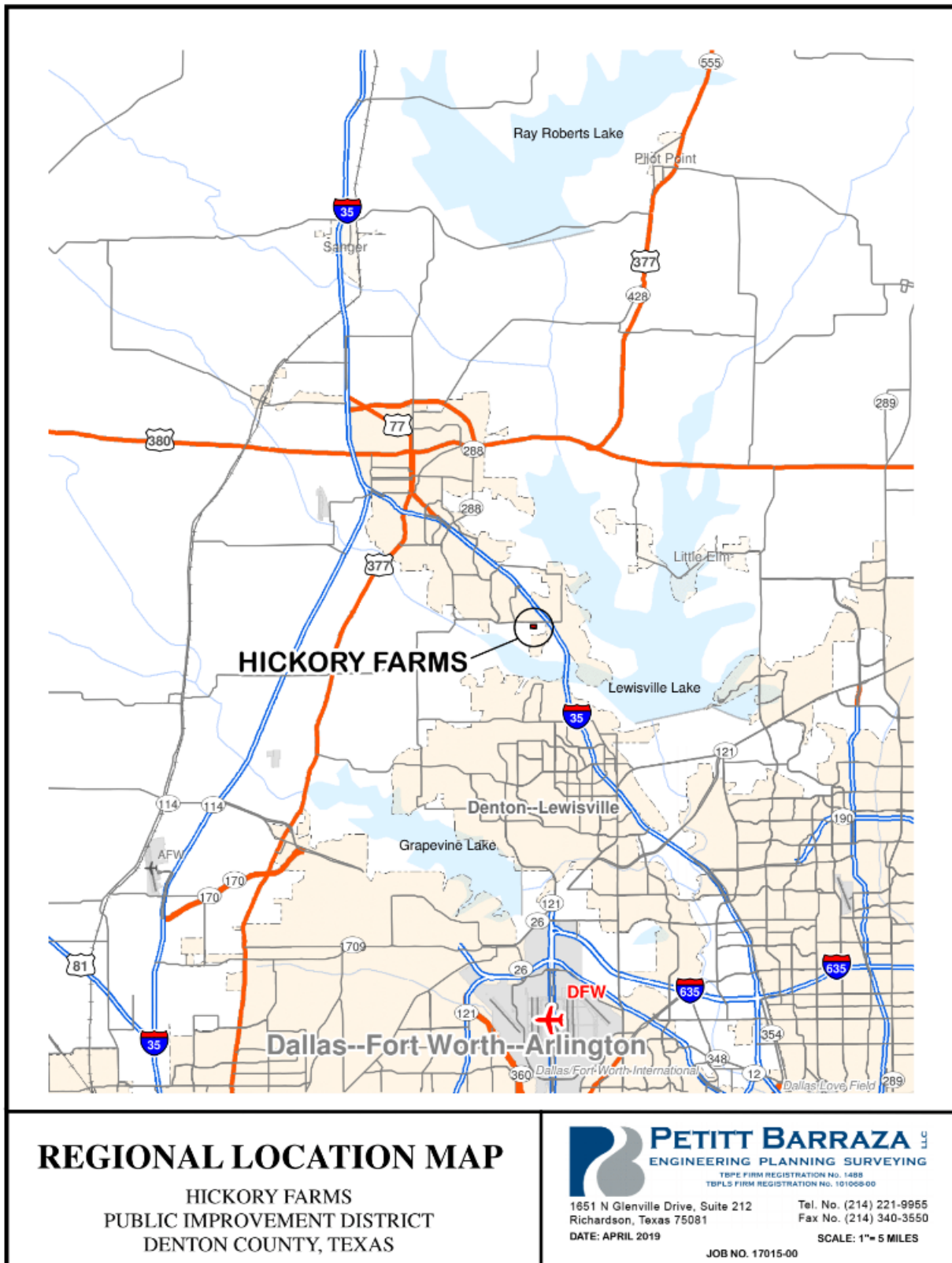
UNDERWRITER'S COUNSEL
Winstead PC

For additional information regarding the Town, please contact:

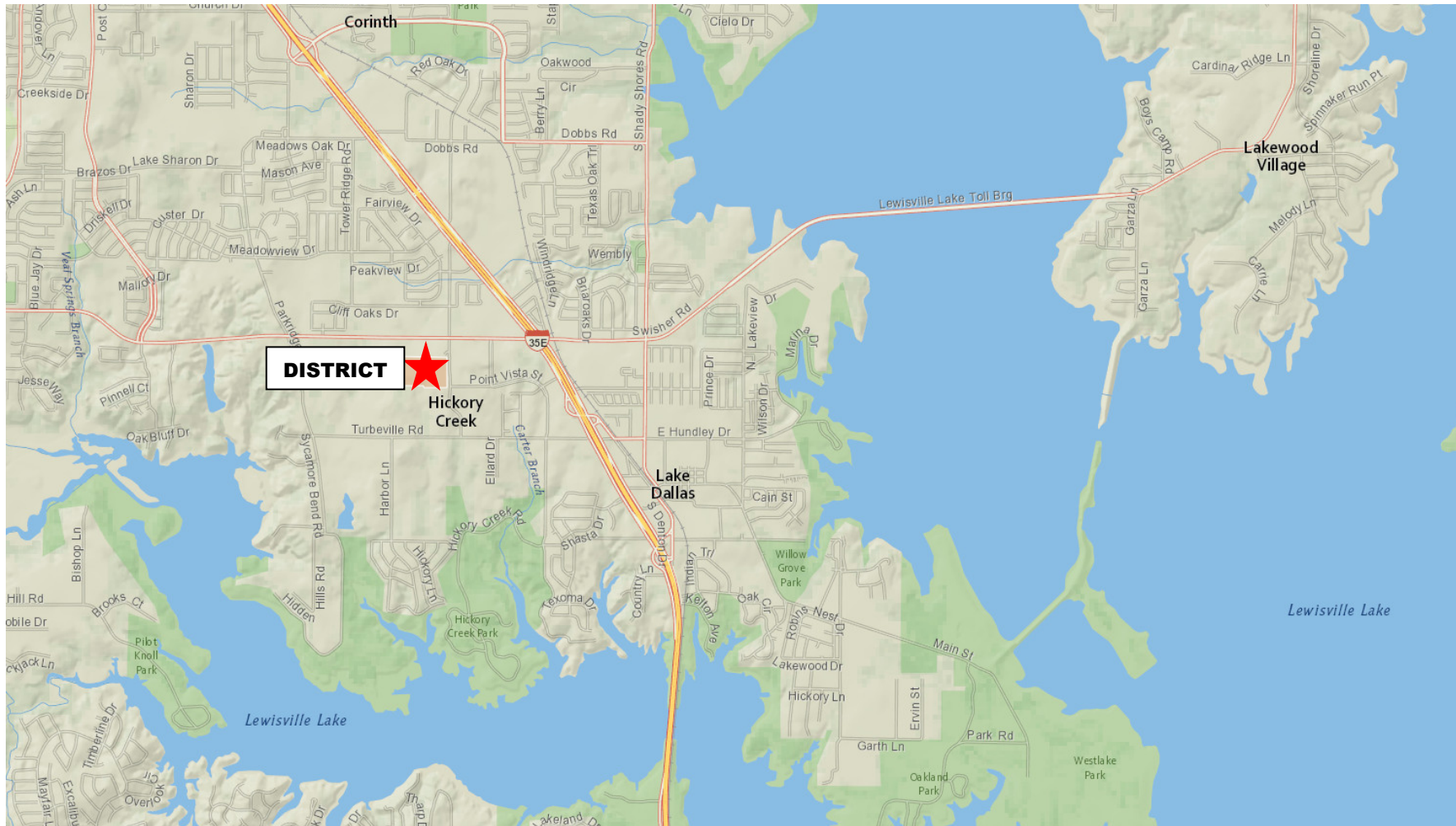
John Smith
Town Administrator
Town of Hickory Creek, Texas
1075 Ronald Reagan Drive
Hickory Creek, Texas 75065
(940) 497-2528
john.smith@hickorycreek-tx.gov

John Martin
Managing Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 859-9447
john.martin@hilltopsecurities.com

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUDARIES OF THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("RULE 15C2-12"), AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE TOWN WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE TOWN AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THE LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "RISK FACTORS" HEREIN. EACH PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE TOWN OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE TOWN AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE TOWN AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE TOWN OR THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TOWN OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE TOWN, THE FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE TOWN DOES NOT PLAN TO

ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

[\$[PAR AMOUNT]]*
TOWN OF HICKORY CREEK, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(HICKORY FARMS PUBLIC IMPROVEMENT DISTRICT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the Town of Hickory Creek, Texas (the “Town”), of its \$[PAR AMOUNT]* aggregate principal amount of Special Assessment Revenue Bonds, Series 2019 (Hickory Farms Public Improvement District) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING INITIALLY OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “SUITABILITY FOR INVESTMENT” AND “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the Town pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds is expected to be adopted by the Town Council of the Town (the “Town Council”) on [BPA DATE], 2019 (the “Bond Ordinance”), and an Indenture of Trust, dated as of July 1, 2019, (the “Indenture”), entered into by and between the Town and U.S. Bank National Association, Dallas, Texas as trustee (the “Trustee”). The Bonds will be secured by certain assessments (“Assessments”) levied against assessable property located within Hickory Farms Public Improvement District (the “District”) pursuant to a separate ordinance adopted by the Town Council on June 18, 2019 relating to the Authorized Improvements, (as defined herein,) (the “Assessment Ordinance”). The Town created the District pursuant to a resolution adopted by the Town Council on May 21, 2019 (the “Creation Resolution”).

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the Town, the District, MM Hickory Creek 24, LLC (the “Developer”), the PID Administrator (as defined herein), the Creation Resolution (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Reimbursement Agreement (as defined herein), the Construction, Funding and Acquisition Agreement (as defined herein), the Service and Assessment Plan (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 100 Crescent Court, Suite 700, Dallas, Texas 75201, telephone number (214) 302-2245. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein

* Preliminary; subject to change.

and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan and Plan of Finance

In connection with the development of real property within the District as a master-planned residential community commonly known as “Hickory Farms” (the “Development”), the Town created the Hickory Farms Public Improvement District (the “District,”) pursuant to a resolution of the Town dated May 21, 2019 creating the District to finance the Authorized Improvements (as defined herein).

The District is composed of approximately 24.277 acres to be developed within the Development. The Developer expects to construct improvements consisting of certain street improvements, water system improvements, sanitary sewer improvements and storm drainage improvements that will benefit the District (collectively the “Authorized Improvements”). Construction of the Authorized Improvements is expected to begin in June 2019 and be completed by April 2020. Development of the District is expected to be completed by 2Q 2020. See “THE DEVELOPMENT – Development Plan.”

The Developer purchased the land within the District on April 1, 2019 for a purchase price of \$4,500,000. In order to finance a portion of the purchase of the land within the District, the Developer obtained a loan in the amount of \$7,122,930 (the “Acquisition and Development Loan”) from TREZ Capital (2015) Corporation (the “Acquisition and Development Lender”). The Acquisition and Development Loan is secured by land within the District. As of April 11, 2019 the Acquisition and Development has an outstanding principal balance of \$3,475,222.36 and matures on April 1, 2021. The Developer is the current owner of all property in the District. See “THE DEVELOPER – History and Financing of the District.”

The Town will pay a portion of the project costs for the Authorized Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Authorized Improvements and be reimbursed in accordance with the Indenture and the Hickory Farms Public Improvement District Construction, Funding, and Acquisition Agreement (the “Construction, Funding, and Acquisition Agreement”). See “THE AUTHORIZED IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan” and “APPENDIX F – Form of Construction, Funding, and Acquisition Agreement. A portion of such costs in the amount of \$ _____ is expected to be paid with proceeds of the Bonds. At delivery of the Bonds, the Developer expects to advance funds in the approximate amount of \$ _____ (the “Developer Deposit”) in order to pay for a portion of the costs of the Authorized Improvements, a portion of which shall be reimbursed to the Developer in the future pursuant to the Reimbursement Agreement (as defined below). See “SOURCES AND USES OF FUNDS.”

The Town will enter into a reimbursement agreement with the Developer (the “Reimbursement Agreement”) to finance a portion of the costs of the Authorized Improvements not paid with proceeds of the Bonds. The Bonds and the Reimbursement Agreement are both secured by the Assessments; however, the payment of debt service on the Bonds from the Assessments is superior in right to payment of obligations under the Reimbursement Agreement. See “SECURITY FOR THE BONDS – Pledged Revenue Fund.” A portion of the Town’s obligations under the Reimbursement Agreement may be refinanced through the issuance of additional bonds by the Town (the “Additional Bonds”), which Additional Bonds will be secured by the portion of the Assessments previously securing the Reimbursement Agreement. See “SECURITY FOR THE BONDS – Additional Bonds” for a description of certain conditions precedent to the issuance of Additional Bonds.

The boundaries of the District are shown in the “MAP SHOWING BOUNDARIES OF THE DISTRICT” on page v hereof. The District is located entirely within the extraterritorial jurisdiction of the Town. The Town expects to annex the land within the District into the corporate limits of the Town on May 21, 2019. The Developer has submitted a petition for voluntary annexation into the Town.

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Costs of the Authorized Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the Town, be transferred to the Improvement Account of the Project Fund (both defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE AUTHORIZED IMPROVEMENTS,” “APPENDIX B – Form of Indenture” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), consisting primarily of Assessments (as defined herein) levied or to be levied against the assessable parcels or lots within the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

THE BONDS (INCLUDING ANY ADDITIONAL BONDS) SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE TOWN, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE TRUST ESTATE AS PROVIDED IN THE INDENTURE. ANY ADDITIONAL BONDS ISSUED BY THE TOWN WILL LIKEWISE BE SEPARATE AND DISTINCT ISSUES OF SECURITIES AND WILL BE SECURED BY THE PORTION OF THE ASSESSMENTS CURRENTLY SECURING THE REIMBURSEMENT AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE TOWN, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS. ANY FUTURE ADDITIONAL BONDS TO BE ISSUED BY THE TOWN ARE NOT OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 2019 (each an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank National Association, Dallas, Texas is the initial Trustee and Paying Agent/Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The Town reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the Town, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Extraordinary Optional Redemption. The Town reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date specified above, in whole or in part, on any day of

any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.”

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__, and September 1, 20__ (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the Town in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$ Term Bonds Maturing September 1, 20__ *

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2019	
September 1, 2020	
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
September 1, 2025	
September 1, 2026	
September 1, 2027	
September 1, 2028†	

\$ Term Bonds Maturing September 1, 20__ *

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2029	
September 1, 2030	
September 1, 2031	
September 1, 2032	
September 1, 2033	
September 1, 2034	
September 1, 2035	
September 1, 2036	
September 1, 2037	
September 1, 2038	
September 1, 2039	
September 1, 2040	
September 1, 2041	
September 1, 2042	
September 1, 2043	
September 1, 2044	
September 1, 2045	
September 1, 2046	
September 1, 2047†	

* Preliminary, subject to change.

† Stated maturity.

At thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee will select at random a principal amount of Term Bonds equal to the Sinking Fund Installment for such date of such maturity of Term Bonds to be redeemed, will call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the Town, by the principal amount of any Term Bonds of such maturity which, at least thirty (30) days prior to the sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least thirty (30) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The Town has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in increments of \$5,000 by lot or any other customary method that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

Upon surrender of any Bond in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds so surrendered, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this

Limited Offering Memorandum. The Town and the Underwriter believe the source of such information to be reliable, but neither the Town nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but none of the Town, the Town's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE TOWN, THE TRUSTEE, THE PAYING AGENT/REGISTRAR, THE TOWN'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “qualified institutional buyers” as defined in Rule 501 of Regulation D promulgated under the Securities Act and “accredited investors” as defined in Rule 144A promulgated under the Securities Act. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged and represented the Town as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act or a “qualified institutional buyer” under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
4. The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.
5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Town, the Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the Town in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the Town, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that underwriter is not deemed an officer or employee of the Town.
6. The Investor acknowledges that the obligations of the Town under the Indenture are special, limited obligations payable solely from amounts paid to the Town pursuant to the terms of the Indenture and the Town shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Town for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Town, the District (which has no taxing power), the State of Texas (the “State”) or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Town, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Town and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.
7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the assessable parcels or lots within the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. See "APPENDIX B – Form of Indenture." The District contains approximately 24.277 acres. Other than land that has been dedicated to the Town, the LCMUA or the HOA (as defined herein), all the property within the District has been assessed. In accordance with the PID Act, the Town has caused the preparation of a Service and Assessment Plan (the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including Assessments), and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year.

The determination by the Town of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Form of Service and Assessment Plan."

The prospective value of the fee simple interest in the 130 residential lots in the District as described in the Appraisal and subject to the limiting conditions therein is approximately \$_____. See "APPENDIX F – Appraisal of the District."

Pledged Revenues

The Town is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Authorized Improvements by levying the Assessments upon properties in the District benefitted thereby. For a description of the Assessment methodology and the amounts of the Assessments anticipated to be levied in the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Under the Indenture, "Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan and any Annual Installments in excess of the amounts required to be deposited into the Pledged Revenue Fund pursuant the Indenture), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the Town may pledge to the payment of the Bonds. "Annual Installment" means, with respect to the Assessed Property, each annual payment of: (i) the Assessment (including

the principal of and interest on), as shown on the Assessment Roll attached to the SAP, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in the SAP, (ii) Administrative Expenses, and (iii) Additional Interest. "Assessment" means an assessment levied against a Parcel pursuant to the PID Act.

The Town will covenant in the Indenture that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "— Pledged Revenue Fund," "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens and claims, except liens or claims for State of Texas (the "State"), county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the respective Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the Town Council in the same manner that an ad valorem property tax levied against real property may be enforced by the Town Council. See "ASSESSMENT PROCEDURES" herein.

Collection and Deposit of Assessments

The Assessments shown on the Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Assessments assessed to pay debt service on the Bonds and amounts owed under the Reimbursement Agreement, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds and amounts owed under the Reimbursement Agreement. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance and the Service and Assessment Plan in each fiscal year of the Town preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular assessed property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund. See "SECURITY FOR THE BONDS — Pledged Revenue Fund" and APPENDIX B — Form of Indenture.

The portions of the Annual Installments of Assessments collected to pay Administrative Expenses and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The Town will impose Assessments on the property within the District to pay the principal of and interest on the Bonds and the Reimbursement Agreement scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within the District began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, interest on the Assessments for each lot within the District will accrue at a rate specified in the Assessment Ordinance, but may not exceed the interest rate on the Bonds plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act ("Additional Interest"). Such interest rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be billed or invoiced to the property owner on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the Town intends to levy, assess, and collect, each year while the Bonds are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the Town in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the Town adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay Administrative Expenses shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay Administrative Expenses do not secure repayment of the Bonds.

There is no discount for the early payment of the Assessments.

The Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Town under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the Town under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B — Form of Indenture."

Pledged Revenue Fund

Immediately upon receipt thereof, the Town shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Annual Installments (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund), as set forth in the Service and Assessment Plan. Specifically, the Town shall deposit or cause to be deposited Assessment Revenues (i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) *third*, to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to reimburse the Developer for costs of Authorized Improvements that have been paid from the Developer Improvement Account of the Project Fund (pursuant to the terms of the Reimbursement Agreement) and (iv) *fourth*, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) – (iii) above are made, the Town shall have the option, in its sole and absolute discretion, to transfer or deposit such excess funds into the Redemption Fund to redeem Bonds as provided in the Indenture. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be transferred or deposited into the Delinquency and Prepayment Reserve Account and/or the Redemption Fund, as applicable. In addition, in the event the Town owes Rebataable Arbitrage to the United States Government, the Town shall provide written direction to the Trustee to cause the transfer to the Rebate Fund, prior to any other transfer, the full amount of Rebataable Arbitrage owed by the Town, as further described in the Indenture. Along with each transfer to the Trustee, the Town shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaption “Reserve Fund” below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

The Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and promptly after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the Town, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such

Interest Payment Date from the Capitalized Interest Account as provided in the Indenture. If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on _____. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the following purposes as specified in the Indenture: (i) paying or reimbursing all or a portion of the costs of the Authorized Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more Town Directives. Disbursements from the Improvement Account of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be \$_____, which is an amount equal to 50% of the Maximum Annual Debt Service on the Bonds as of their date of issuance; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) a mandatory sinking fund redemption, (2) an optional redemption or (3) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund (described below) and second from the Reserve Account of the Reserve Fund to the Bond Fund the amount necessary to cure such deficiency.

Whenever, on any Interest Payment Date, or on any other date at the request of a Town Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the Town of the amount of the excess, and the Trustee shall transfer such excess pursuant to the Indenture.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the Town, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall

transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Delinquency and Prepayment Reserve Requirement. The “Delinquency and Prepayment Reserve Requirement” means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds. The Town has allocated the Additional Interest authorized by the PID Act for this purpose.

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing March 1, 2020, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provided in Article IV of the Indenture; provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee shall conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless it receives a Town Directive specifying that a different amount be used.

Upon an extraordinary optional redemption of Bonds due to Prepayments, after transferring funds from the Reserve Fund to the Redemption Fund, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of the Town, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the Town of the amount of the excess, and such excess shall be transferred, at the direction of the Town, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

Administrative Fund

The Town has created under the Indenture an Administrative Fund held by the Trustee. Immediately upon receipt thereof, the Town shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a Town Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding within the meaning of the Indenture (a “Defeased Debt”), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation or other qualified entity, other than the Issuer, to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for. Neither Defeasance Securities nor moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the Town maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; and are, at the time made, included in and authorized by the Town’s official investment policy as approved by the Town Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Town adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- i. The failure of the Town to deposit the Pledged Revenues to the Pledged Revenue Fund;
- ii. The failure of the Town to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

- iii. Default in the performance or observance of any covenant, agreement or obligation of the Town under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the Town shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the Town within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and
- iv. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee shall, upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding under the Indenture proceed to protect and enforce the rights of the Owners under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the Town may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the Town shall determine, in its absolute discretion, and shall instruct the Trustee by Town Directive, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the Town shall fail to deliver to the Trustee such Town Directive, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the Town by reason of the following selection process, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee shall sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, according to the following method and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the Outstanding Bonds. Upon such sale, the Trustee shall make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the Town, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the Town shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a

default has occurred and is continuing of which the Trustee has received prior notice in writing, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such prior written notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the Town, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the Town to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the Town, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the Town, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

- i. FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and
- ii. SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within thirty (30) days of receipt of such good and available funds, the Trustee, at the written direction of the Town, shall fix a record and payment date for any payment to be made to Owners.

In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the Town to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee as directed by the Town pursuant to a Town Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the Town pursuant to a Town Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the Town to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the Town shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the Town shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Additional Bonds

Additional Bonds. Proceeds of the Bonds will pay for a portion of the costs of the Authorized Improvements. The Town reserves the right to issue Additional Bonds to finance the balance of the Authorized Improvements not paid with proceeds of the Bonds. Such Additional Bonds will be secured by the portion of the Assessments that initially secure the Reimbursement Agreement, and the pledge of such Assessments to secure the Town's payment obligations under the Reimbursement Agreement will be extinguished once such Additional Bonds are issued. Although the pledge of Assessments to secure the Reimbursement Agreement is subordinate to the pledge of Assessments to secure repayment of the Bonds, the pledge of Assessments to secure repayment of such Additional Bonds will be on parity with the pledge securing repayment of the Bonds. The Bonds and any Additional Bonds issued by the Town are separate and distinct issues of securities.

The Town reserves the right to issue Additional Bonds for any purpose permitted by the PID Act, including paying or refunding any of the Bonds, and in accordance with the conditions set forth below:

- i. The Town Representative (as defined in the Indenture) shall certify that the Town is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the Town contained in the Indenture;
- ii. The Developer, through an authorized representative, shall certify that the Developer is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Construction, Funding and Acquisition Agreement;

- iii. The Developer shall provide the Town with a certificate or report from an independent certified appraiser or appraisal firm (that may rely on Denton County assessed value figures for the completed homes as to their value) that, assuming completion of the improvements to be financed with the proceeds of the Additional Bonds or with the funds withdrawn from the Developer Improvement Account of the Project Fund, as applicable:
 - a. (A) at least 50 single-family homes located within the District have been completed; (B) the appraised value of the property within the District is equal to at least three (3) times the principal amount of the Outstanding Bonds Similarly Secured (as defined in the Indenture), taking into account the Additional Bonds to be issued, and (C) the appraised value allocated to every Assessed Parcel within the District is at least two (2) times the portion of the principal amount of any Outstanding Bonds Similarly Secured, taking into account the Additional Bonds to be issued, that is allocated to each Assessed Parcel;
- iv. The principal of and interest on the Additional Bonds must be scheduled to be paid or mature on March 1 or September 1, or both, of the years in which each principal or interest are scheduled to be paid or mature; and
- v. There shall be deposited to the Reserve Fund an amount equal to the Reserve Fund Requirement taking into account the Outstanding Bonds Similarly Secured and the Additional Bonds then proposed to be issued.

Notwithstanding the foregoing, bonds issued to refund all or a portion of the Bonds Similarly Secured shall not be required to meet the requirements set forth in (ii) and (iii) above.

Additionally, the Town has reserved the right to issue bonds secured by and payable from a lien on and pledge of the Pledged Revenues subordinate to the lien on and pledge of Pledged Revenues securing payment of the Bonds.

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Bonds and additional costs of improvements funded or to be funded by the Developer:

Sources of Funds:

Principal Amount	
Developer Advancement of Funds ⁽¹⁾	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Account of Project Fund	\$
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to the Administrative Fund	
Underwriter's Discount ⁽²⁾	
Deposit to Costs of Issuance Account of the Project Fund	
TOTAL USES	\$

* Preliminary; subject to change.

⁽¹⁾ Represents approximate amount of Developer's advancement of funds at delivery of the Bonds, if any, to pay for a portion of the costs of the Authorized Improvements, such amount to be reimbursed to the Developer or the Developer's assigns in the future pursuant to the Reimbursement Agreement. Additionally, the Developer plans to construct Private Improvements (as defined herein) at an approximate cost of \$579,227 that will not be financed with proceeds of the Bonds or be reimbursed by the Town.

⁽²⁾ Underwriter's discount includes Underwriter's Counsel's fee of \$_____.

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DEBT SERVICE REQUIREMENTS*

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
Total			

* Preliminary; subject to change.

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OVERLAPPING TAXES AND DEBT

The land within the District and subject to Assessments expected to be levied by the Town will be, and is to continue to be, subject to taxes and assessments imposed by taxing entities other than the Town. Such taxes are payable in addition to the Assessments levied by the Town.

In addition to the Assessments described above, the Developer anticipates that all lot owners in the District will pay a maintenance and operation fee and/or a property owner's association fee to the homeowner's association for the property within the District (the "HOA"), which homeowner's association has been formed by the Developer.

The District is within the extraterritorial jurisdiction of the Town, but is expected to be annexed on May 21, 2019. After such annexation, the land within the District will be subject to taxation by the Town. Denton County and the Lake Dallas Independent School District may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The Town has no control over the level of ad valorem taxes or assessments levied by such taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in District.

<u>Taxing Entity</u>	<u>Tax Year 2018 Ad Valorem Tax Rate</u>
The Town ⁽¹⁾	0.3476
Denton County, Texas ⁽¹⁾	0.2256
Lake Dallas Independent School District ⁽¹⁾	1.6700
Total Existing Tax Rate	<u>\$ 2.2432</u>

Estimated Average Annual Assessment in the District as tax
rate equivalent per Equivalent Unit⁽²⁾

\$

**Estimated Total Tax Rate and Average Annual Installment
in the District as tax rate equivalent per Equivalent Unit**

\$

⁽¹⁾ Per \$100 in taxable assessed value.

⁽²⁾ Derived from information presented in the Service and Assessment Plan. Preliminary, subject to change.

⁽³⁾ Assumes annexation by the Town.

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As noted above, the District includes territory located in governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District, as of April 1, 2019, and the amount of debt secured by assessments:

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of 04/01/2019</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt</u>
The Town (Assessments – The Bonds) ⁽²⁾	\$ [PAR AMOUNT]	100.000%	\$ [PAR AMOUNT]
The Town (Assessments – Reimbursement Agreement)			
The Town ⁽³⁾	7,805,000	%	
Denton County, Texas	609,405,000	%	
Lake Dallas Independent School District	<u>91,436,703</u>	%	
	<u>\$</u>		\$

⁽¹⁾ Based on the Appraisal for the District and on taxable assessed valuations of the properties in the District reported through the Denton Central Appraisal District.

⁽²⁾ Preliminary, subject to change.

⁽³⁾ Assumes annexation by the Town.

Source: Municipal Advisory Council of Texas and Denton Central Appraisal District

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in the Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the Town determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the cost therefor. The Town has caused an assessment roll to be prepared (the “Assessment Roll”), which Assessment Roll will show the land within the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the Town Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding a portion of the same with Assessments.

The Town expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made. Under the PID Act, the costs of the Authorized Improvements may be assessed by the Town against the assessable property in the District so long as the special benefit conferred upon the assessed property by the Authorized Improvements equals or exceeds the Assessments

Under the PID Act, the costs of the Authorized Improvements may be assessed by the Town against the assessable property in the District so long as the special benefit conferred upon the assessed property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the Town allocates the special benefit of the Authorized Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Authorized Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues. As set forth in the Service and Assessment Plan, the Town Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Authorized Improvements will be allocated to the Assessed Parcels in the District by spreading the entire Assessment across all Parcels and Lots equally across each Parcel or Lot to within the District.

The following table provides additional analysis with respect to assessment methodology relating to the issuance of the Bonds, including the value to assessment burden ratio per Lot, equivalent tax rate per Lot, and leverage per Lot. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan, the Appraisal, lot sale prices in the Merchant Builder Lot Purchase and Sale Agreements and estimated average value of homes in the District based on data from the Denton County Central Appraisal District. See “APPENDIX C — Form of Service and Assessment Plan” and “THE DEVELOPMENT – Merchant Builder Lot Purchase and Sale Agreements” and “— Expected Build-out of the District” and “APPENDIX F – Appraisal of the District.”

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LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND LEVERAGE PER UNIT

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit⁽¹⁾	Projected Average Home Value per unit	Assessment per unit	Average Annual Installment per unit	Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value)	Tax Rate Equivalent of Average Annual Installment (per \$100 Home Value)	Leverage (Lot Value)	Leverage (Average Home Value)
50'	116	\$80,000	\$380,000						
60;	<u>14</u>	\$84,000	\$400,000						

Source: P3Works, LLC

⁽¹⁾ Calculated based on contract price for lots under the Lot Purchase and Sale Agreement. See "THE DEVELOPMENT—Merchant Builder Lot Purchase and Sale Agreement."

The estimated aggregate value of the fee simple interest of the assessable property in the District as described in the Appraisal and subject to the limiting conditions therein is approximately \$_____. See "THE DEVELOPMENT — Development Plan" for further information regarding the expected completion of the development within the District and "APPRAISAL OF PEROPERTY WITHIN THE DISTRICT".

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The Town has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the Town of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of Property within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the Town. The Assessments may be enforced by the Town in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS — Special Assessment Limitations” herein.

In the Indenture, the Town will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, Town staff or a designee of the Town shall prepare, and the Town Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the Town will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the Town, to the affected property owners on the same statement or such other mechanism that is used by the Town, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the Town.

The Town will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the Town will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the Town shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the Town, the Town Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the Town and its appropriate collections enforcement designees.

The Town will implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Town’s Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the Town reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

The Town shall not be required under any circumstances to expend any funds for delinquent collection costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the Town or its agent. Annual Installments are due on October 1 of each year, and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Roll set forth for each year the Annual Installment for each Assessed Parcel as calculated by the PID Administrator and approved by the Town Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, which amount includes the Additional Interest that funds Prepayment Costs and Delinquent Collection Costs as described in the Service and Assessment Plan (ii) the annual payment allocable to the Reimbursement Agreement and (iii) the Annual Collection Costs. The Annual Installments for the District may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Assessed Parcels as indicated on the Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX G – Form of Construction, Funding and Acquisition Agreement."

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include the Additional Interest) and actual Annual Collection Costs (as provided for in the Indenture), taking into consideration any other available funds for these costs, such as interest income on account balances.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Town Council has determined that the Assessments shall be initially allocated equally among the Assessed Parcels.

For purposes of the Service and Assessment Plan, the Town Council has determined that the Assessments shall be initially allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of units to anticipated to be developed on each Parcel. As the existing parcels are subsequently divided, the Assessments will be further apportioned pro rata based on the number of newly created parcels. See "APPENDIX C — Form of Service and Assessment Plan." See "ASSESSMENT PROCEDURES — Assessment Methodology."

The Assessment per 50' lot with respect to the Bonds and the Reimbursement Agreement is \$ _____* and the Assessment per 60' lot with respect to the Bonds and the Reimbursement Agreement is \$ _____. See "ASSESSMENT PROCEDURES — Assessment Methodology." The Bonds are secured by a

* Preliminary; subject to change.

first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a “Prepayment”) all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid, and may be enforced by the Town in the same manner as an ad valorem tax levied against real property may be enforced by the Town. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the Town is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the Town of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The Town is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Assessed Parcel.

In the Indenture the Town will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the Town is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the Town and distributed in accordance with the Indenture. See “APPENDIX B – Form of Indenture.” See also “APPENDIX E-1 – Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

In the Indenture, the Town creates the Prepayment and Delinquency Reserve Account of the Reserve Fund and will fund such account as provided in the Indenture. The Town will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay

foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS – Delinquency Reserve Account of the Reserve Fund,” “APPENDIX B – Form of Indenture” and “APPENDIX C – Form of Service and Assessment Plan.”

THE TOWN

Background

The Town of Hickory Creek (the “Town”) is a residential area located in Denton County on the shores of Lake Lewisville, approximately 26 miles northwest of Dallas occupying a land area of 4.6 square miles.

Denton County (the “County”) is located in north central Texas and is the ninth most populous county in the state. The economy is diversified by manufacturing, state supported institutions, and agriculture. Minerals produced in the County include natural gas and clay. Denton County is the 9th largest gas producing county in Texas. Institutions of higher education within Denton County include the University of North Texas and Texas Women’s University. Alliance Airport (the largest industrial airport in the world), Texas Motor Speedway (a major NASCAR race track) and a major Wal-Mart distribution center are also located in Denton County.

Town Government

The Town is a Type A general law municipal corporation governed by a mayor and a five-member council. The Mayor is elected at-large and five council members are elected by place number for two-year staggered terms.

The current members of the Town Council and their respective expiration of terms of office are as follows:

<u>Council Member</u>	<u>Term Expires</u> <u>(May)</u>
Lynn Clark, Mayor	2020
Paul Kenney, Mayor Pro Tem	2020
Tracee Elrod	2021
Richard DuPree	2020
Chris Gordon	2021
Ian Theodore	2021

The principal administrators of the Town include the following:

<u>Name</u>	<u>Position</u>
John Smith	Town Administrator
Kristi Rogers	Town Secretary

General information regarding the Town and the surrounding area can be found in “APPENDIX A - General Information Regarding the Town and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the Town, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District was created by Resolution No. _____ of the Town Council adopted on May 21, 2019 in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the Town Council that confer a special benefit to property in the District. The District is not a separate political subdivision of the State and is governed by the Town Council. The District is currently located entirely within the extraterritorial jurisdiction of the Town. The Town intends to annex the land within the District into the corporate limits of the Town in accordance with the Hickory Farms

Development Agreement dated effective April 1, 2019 between the Town and Centurion American Acquisitions, LLC, as assigned to the Developer pursuant to that certain Assignment of Developer's Interest in Hickory Farms Development agreement, dated March 2, 2019 (the "Development Agreement") on May 21, 2019. The Developer has submitted a petition for voluntary annexation into the Town. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the Town may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the Town limits or the Town's extraterritorial jurisdiction. The PID Act provides that the Town may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the Town has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the Town has determined to undertake the construction, acquisition or purchase of certain road, water, sanitary sewer, drainage, and park and open space public improvements within the District and outside of the District comprising the Authorized Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The Town has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C — Form of Service and Assessment Plan."

THE AUTHORIZED IMPROVEMENTS

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the Town, the Town's representatives and professional providers, the Town's Financial Advisor and the Underwriter, and none of the Town, the Town's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE AUTHORIZED IMPROVEMENTS" nor (ii) the information relating to the Authorized Improvements under the caption "BONDHOLDERS' RISKS" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the Town and the Underwriter.

General

The Authorized Improvements consist of infrastructure benefitting the District. Proceeds of the Bonds will be used to pay for a portion of the costs of the Authorized Improvements. The balance of the costs of the Authorized Improvements will be paid by the Developer pursuant to the terms of the Reimbursement Agreement. The Authorized Improvements will be dedicated to the Town or LCMUA, as applicable. The Developer is responsible for the completion of the construction, acquisition or purchase of the Authorized Improvements, and the Developer or its designee will act as construction manager. The Town will pay project costs for the Authorized Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Authorized Improvements and be reimbursed in accordance with the Indenture, the Reimbursement Agreement and the Construction, Funding, and Acquisition Agreement. See "THE DEVELOPMENT – Development Plan".

Description of Improvements

The Authorized Improvements, a portion of which are being financed with proceeds of the Bonds, include road, water, sanitary sewer and storm drainage improvements benefitting the District. A summary of the Authorized Improvements is below.

Authorized Improvements

Road Improvements. Improvements including connection to Ronald Reagan Avenue and the construction of on-site improvements including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, traffic control devices and re-vegetation of all disturbed areas within the right-of-way. All roadway projects will be designed and constructed in accordance with the Town standards and specifications and will be owned and operated by the Town.

Water Improvements. Improvements including construction and installation of water lines, mains, pipes, valves and all necessary appurtenances required for the water distribution system as well as related testing, trench safety and erosion protection necessary to service the Assessed Property. The water improvements will be designed and constructed in accordance to LCMUA standards and specifications and will be owned and operated by LCMUA.

Sanitary Sewer Improvements. Improvements including construction and installation of pipes, service lines, manholes, encasements and all necessary appurtenances required to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance to Town, LCMUA and TCEQ standards and specifications and will be owned and operated by LCMUA.

Storm Drainage Improvements. Improvements including the construction of two (2) retention/detention ponds, including excavation to a depth of 8 feet and the associated drainage improvements for each pond, reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for the Assessed Property. The storm drainage improvements will be designed and constructed according to the Town standards and specifications and will be maintained and operated by the Town.

The following table reflects the total expected costs of the Authorized Improvements:

Authorized Improvements	Estimated Cost
Roadway improvement costs	\$1,077,039
Water distribution system improvement costs	735,850
Sanitary sewer improvement costs	351,972
Storm drainage improvements	493,221
Landscape, irrigation and screening wall	225,000
Other soft and miscellaneous costs	288,904
Total Estimated Authorized Improvement Costs	\$3,171,987

The cost of the Authorized Improvements is expected to be approximately \$3,171,987. A portion of such costs in the amount of \$_____ is expected to be paid with proceeds of the Bonds. At delivery of the Bonds, the Developer expects to advance the Developer Deposit in the approximate amount of \$_____ in order to pay for a portion of the costs of the Authorized Improvements, a portion of which shall be reimbursed to the Developer in the future pursuant to the Reimbursement Agreement. See "SOURCES AND USES OF FUNDS."

Additionally, the Developer plans to construct certain private improvements consisting of retaining walls, franchise utilities, street lighting, landscaping, irrigation, screening walls, and miscellaneous items related thereto, to serve the entire District (collectively, the "Private Improvements") at an approximate cost of \$579,227.00. Construction of the Private Improvements is expected to begin in June 2019 and be completed in April 2020. The costs of such Private Improvements are to be paid entirely by the Developer without reimbursement by the Town and are not subject to the levy of any Assessments.

Ownership and Maintenance of the Authorized Improvements

The Authorized Improvements will be dedicated to and accepted by the Town, or LCMUA, as applicable in accordance with Town and/or LCMUA standards and specifications as outlined in the Construction, Funding and Acquisition Agreement and will constitute a portion of the Town's and/or LCMUA's infrastructure improvements. The Town will provide for the ongoing operation, maintenance and repair of such Authorized Improvements constructed and conveyed, as outlined in the Service and Assessment Plan. The Private Improvements will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the Private Improvements through the administration of a maintenance and operation fee and/or a property owner's association fee to be paid by each lot owner within the District.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the Town, the Town's representatives and professional providers, the Town's Financial Advisor, and the Underwriter, and none of the Town, the Town's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Developer's plan for developing the land within the District to be known as "Hickory Farms" (the "Development") under the caption "BONDHOLDERS' RISKS" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the Town and the Underwriter.

Overview

The Development is an approximately 24.277 acre master planned residential community project located within the Town to be known as "Hickory Farms" (the "Development"). The Development is located south of Swisher Road and west of Ronald Reagan Avenue. The Town is located in the north-central region of the Dallas-Fort Worth-Arlington TX Metropolitan Statistical Area (the "DFW MSA"). The Town and the surrounding area are poised for growth as the overall DFW MSA continues its growth trajectory. The Development is primarily located within the Lake Dallas Independent School District.

The Developer develops infrastructure and community improvements (amenities, parks, trails, etc.) and sells commercial lots to developers and residential lots to high-quality production homebuilders under lot takedown contracts. The Development will include a variety of parks, trails, an amenity center, an equestrian center and open space areas for its residents and others to enjoy.

The Developer expects to complete the Development over a one year period, with the expected completion of the infrastructure serving the District by 2Q 2020. The Developer's current expectations regarding estimated home prices in the District are as follows:

The Developer's current expectations regarding estimated home prices in the District are as follows:

ESTIMATED HOME PRICES

<u>Lot Type</u>	<u>Quantity</u>	<u>Base Lot Price</u>	<u>Average Base Home Price*</u>
50'	116	\$80,000	\$380,000
60'	14	\$84,000	\$400,000
	<u>130</u>		

* Estimated home values based on average Assessed Value reported for homes in the District through data from the Denton County Central Appraisal District.

Merchant Builder Lot Purchase and Sale Agreements

DRHI, Inc. (“D.R. Horton”) and Centurion American Acquisitions, LLC executed a Contract of Sale (the “Lot Purchase and Sale Agreement”) for lots within the District, which Lot Purchase and Sale Agreement was subsequently assigned to the Developer by Centurion American Acquisitions, LLC as of March 25, 2019. D.R. Horton has contracted to purchase all 130 of the 130 lots in the District at a base lot price of \$80,000 per 50 ft. lot and \$84,000 per 60 ft. lot. The feasibility period under the Lot Purchase and Sale Agreement expired on June 12, 2018. Pursuant to the Reinstatement and Fourth Amendment to the Lot Purchase and Sale Agreement, the Developer is expected to receive approximately \$1,919,570.00 in earnest money from D.R. Horton prior to 180 days from February 14, 2019. **NEED TO CONFIRM HORTON APPROVAL OF DEVELOPMENT AGREEMENT**

The Lot Purchase and Sale Agreement is secured by an earnest money deed of trust in favor of D.R. Horton. D.R. Horton intends to subordinate its deed of trust to the interests of the Lender under the Acquisition and Development Loan (as defined herein). In addition, in connection with such subordination, D.R. Horton intends to enter into a tri-party agreement with the Lender outlining the rights of the parties relating to such subordination. See “THE DEVELOPER— History and Financing of the District.”

In addition, under the Lot Purchase and Sale Agreement, the Developer and D.R. Horton have agreed that D.R. Horton’s obligation to close on lots under the Lot Purchase and Sale Agreement is expressly conditioned upon the combined total of the real property taxes for all taxing entities in the District and the tax equivalent rate of the Assessments not exceeding \$3.05 per \$100 of assessed value (the “Total Tax Rate Limit”). If the combined total of the real property taxes for all taxing entities in the District and the tax equivalent rate of the Assessments exceeds the Total Tax Rate Limit, D.R. Horton may terminate the Lot Purchase and Sale Agreement and, in the event of such termination, the earnest money will be returned to D.R. Horton.

The following table provides the number of lots by lot type and the take down schedule under contract with each homebuilder in the District.

HOMEBUILDER CONTRACTS

<u>Homebuilder</u>	<u>Total Lots</u>	<u>Lots per Takedown</u>
D.R. Horton	130	12 lots at initial closing; 12 lots each quarter thereafter
Total Lots Under Contract	130	

Expected Build-Out of the Development

The Developer expects to complete the Development in three phases. The following tables provide the Developer’s expected build-out schedule of the Development for the District and absorption scheduled of lots for the District.

EXPECTED ABSORPTION OF LOTS IN THE DISTRICT

<u>Expected Final Sale Date</u>	<u>Total Lots</u>
2020	36
2021	48
2022	46
Total	130

**EXPECTED BUILD-OUT SCHEDULE
OF THE DEVELOPMENT**

<u>Single-Family Lots</u>	<u>Expected Infrastructure</u> <u>Start Date</u>	<u>Expected Infrastructure</u> <u>Completion Date</u>	<u>Expected Final Lot</u> <u>Sale Date</u>
<u>130</u>	June 2019	April 2020	4Q 2022

Development Plan

The Developer plans to commence development of the Authorized Improvements before the end of June 2019. Construction of the Authorized Improvements is expected to be completed by 2Q 2020. See “THE DEVELOPMENT – Concept Plan,” “THE AUTHORIZED IMPROVEMENTS” and “APPENDIX C – Form of Service and Assessment Plan”

Proceeds of the Bonds will pay for a portion of the costs of the Authorized Improvements. The Developer will finance the balance of the Authorized Improvements not paid with proceeds of the Bonds through a Developer contribution, a portion of which may be repaid pursuant to the Reimbursement Agreement. The Town may refinance its obligations under the Reimbursement Agreement through the issuance of Additional Bonds in the future. See “SECURITY FOR THE BONDS – Additional Bonds.”

Concept Plan

Below is the current conceptual land use plan of the Development as approved by the Town. The concept plan is conceptual and subject to change consistent with the zoning regulations set forth for the District. See “— Zoning/Permitting” below.

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Zoning/Permitting

The Development Agreement allows certain residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks. In the Development Agreement, the parties have agreed that the Concept Plan, the development standards outlined in the Development Agreement and the other applicable provisions of the Development Agreement memorialize the plan for development of the District. The Town shall consider zoning the Property consistent with the development standards, Concept Plan, and applicable provisions of the Development Agreement contemporaneously with annexation of the property in the District. The Developer has submitted a petition for voluntary annexation into the Town.

Amenities

The Developer will construct certain amenities within the Development as part of the costs of the Private Improvements to serve the District. The amenities will include 8' hike and bike trails pursuant to the Development Agreement. The costs of such trails will be paid entirely by the Developer without reimbursement by the Town.

Education

The Lake Dallas Independent School District ("LDISD") serves the District. LDISD is adjacent to Lewisville Lake in North Texas. LDISD is 30 miles from downtown Dallas on the growing 1-35 corridor and covers 9.8 square miles in Denton County. It serves the communities of Lake Dallas, Shady Shores, Corinth and Hickory Creek. LDISD currently enrolls approximately 4,000 students in three elementary schools, one middle school and one high school. Students in the Development will attend Corinth Elementary, Lake Dallas Middle School, and Lake Dallas High School. According to the Texas Education Agency ("TEA"), LDISD received a "District Accountability Rating" of Met Standard from the TEA.

Utilities

Lake Cities Municipal Utility Authority ("LCMUA") provides both water and wastewater retail service to the property in the District. LCMUA purchases its water wholesale from the Upper Trinity Regional Water District, and LCMUA maintains its own water distribution system and wastewater collection and treatment system.

Additional utilities are provided to property owners within the District by: (1) Phone/Data – Century Link; (2) Electric – Oncor; (3) Cable - Century Link; and (4) Natural Gas - Atmos Energy.

Existing Mineral Rights, Easements and Other Third Party Property Rights

The County is located within the Barnett Shale, a natural gas shale "play" overlying a portion of the Dallas-Fort Worth Metroplex, in which proven reserves of oil and natural gas have been subject to substantial development activity in the past decade due in part to advancements in drilling technology such as fracking.

Third parties hold title to certain rights applicable to real property within and around the District, including reservations of mineral rights and royalty interests and easements (collectively, the "Third Party Rights") pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Certain of the Third Party Rights provide mineral rights owners a right to enter onto the surface of the District and use the surface to explore, develop, drill, produce or extract minerals within the District. In particular, pad sites containing active oil and gas wells are located in tracts of land immediately adjacent to the District. The Developer expects such development activity to continue. Certain state and local laws, including rules and regulations of the Texas Railroad Commission, may substantially restrict the ability of mineral rights owners to explore, develop or otherwise exercise their Third Party Rights.

Although the Developer does not expect the above-described Third Party Rights, or the exercise of such rights or any other third party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third Party Property Rights."

Environmental

Enviro co-op, Inc. (“Enviro co-op”) performed a Phase I Environmental Site Assessment dated March 18, 2019 (the “Phase One ESA”) of the District (the “Subject Property”). Based on the information presented in the Phase One ESA, Enviro co-op did not find evidence of Recognized Environmental Conditions identified in the District.

Endangered Species

According to the website for the United States Fish and Wildlife Service, the whooping crane, the red knot, the least tern and the piping plover are endangered species in Denton County. The Developer is not aware of any endangered species located on District property.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the Town, the Town’s Financial Advisor and the Underwriter, and none of the Town, the Town’s Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption “THE DEVELOPER” nor (ii) the information relating to the Developer under the subcaption “BONDHOLDERS’ RISKS” contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the Bonds. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer’s right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer is an affiliate of Centurion American Development Group (“CADG”) and was created by CADG for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption “THE DEVELOPMENT.” The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the Town or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. The Developer’s ability to make full and timely payments of Assessments or taxes will directly affect the Town’s ability to meet its obligation to make payments on the Bonds.

Since 1990, CADG has developed over 20,000 single-family lots in dozens of communities surrounding North Texas. It has worked closely with investors, land-owners, financial institutions, and vendors to acquire over 15,000 acres of land inventory for a diverse mix of developments in size and scope. CADG’s communities include amenities such as parks, golf courses, water parks themes, and hiking and biking trails. Over the past twenty years, CADG has demonstrated the ability to successfully deliver master-planned communities that have been recognized in the real estate industry.

Mr. Mehrdad Moayedi has ultimate control of CADG and its affiliates. CADG maintains a staff of approximately 25 employees. CADG creates single-asset limited liability companies to own development sites and contracts with developers and other professionals in the delivery of its communities.

In addition, CADG works closely with local municipalities, commercial developers, and public school systems as part of its overall master plan. CADG works with North Texas' top builders to deliver the latest concepts ranging from upscale, luxury homes in secluded neighborhoods to affordable housing communities for first-time home buyers. CADG purchases and develops land in prime locations with the right mix of natural land settings, strong job growth, good school systems and access to local community shopping. A snapshot of some of the communities CADG has developed is presented below.

<u>Name</u>	<u>County</u>	<u>Property Type</u>	<u>Starting Home Price</u>
*Entrada at Westlake	Tarrant	Mixed Use	\$1,100,000
River Walk at Central Park	Denton	Mixed Use	\$375,000
The Villas at Twin Creeks	Collin	Single Family	\$230,000
Kensington Gardens	Dallas	Single Family	\$500,000
Water's Edge at Hogan's Glen	Denton	Single Family	\$480,000
Montalcino Estates	Denton	Single Family	\$700,000
Estancia Estates	Denton	Single Family	\$400,000
Highlands Glen	Denton	Single Family	\$300,000
The Highlands at Trophy Club	Denton	Single Family	\$250,000
Water's Edge	Denton	Single/Multifamily	\$300,000
Williamsburg	Rockwall	Single Family	\$150,000
Crestview at Prosper Creek	Collin	Single Family	\$250,000
Palomar Estates	Tarrant	Single Family	\$750,000
Estancia	Tarrant	Single Family	\$450,000
Verandah	Rockwall	Single Family	\$200,000
Terracina	Denton	Single Family	\$400,000
The Resort on Eagle Mountain Lake	Tarrant	Single Family	\$250,000
Travis Ranch	Kaufman	Single Family	\$200,000
Carter Ranch	Collin	Single Family	\$150,000
Frisco Hills	Denton	Single Family	\$200,000
Rolling Meadows	Tarrant	Single Family	\$100,000
Waterfront at Enchanted Bay	Tarrant	Single Family	\$150,000
Thornbury	Travis	Single Family	\$150,000
Rough Hollow	Travis	Single Family	\$550,000
Lexington Parke	Travis	Single Family	\$150,000
Villages of Woodland Springs	Tarrant	Single Family	\$150,000
Spring Creek	Tarrant	Single Family	\$150,000
Silver Ridge	Tarrant	Single Family	\$150,000
Sendera Ranch	Tarrant	Single Family	\$150,000
Rosemary Ridge	Tarrant	Single Family	\$100,000
Llano Springs	Tarrant	Single Family	\$150,000
Hills of Lake Country	Tarrant	Single Family	\$150,000
Garden Springs	Tarrant	Single Family	\$125,000
Dominion Estates	Tarrant	Single Family	\$125,000
Deer Creek North	Tarrant	Single Family	\$125,000
Creekside of Crowley	Tarrant	Single Family	\$150,000
Bonds Ranch	Tarrant	Single Family	\$150,000
Crown Valley	Parker	Single Family	\$150,000
Windmill Farms	Kaufman	Single Family	\$150,000
Knox Ranch	Hood	Mixed Use	\$450,000
Windsor Hills	Ellis	Single Family	\$250,000
Saddlebrook	Ellis	Mixed Use	\$175,000

Name	County	Property Type	Starting Home Price
The Villas of Indian Creek	Denton	Single Family	\$150,000
*Valencia on the Lake	Denton	Single Family	\$175,000
Shale Creek	Wise	Single Family	\$100,000
Shahan Prairie	Denton	Single Family	\$150,000
Frisco Ranch	Denton	Single Family	\$150,000
Brookfield	Denton	Single Family	\$180,000
Sweetwater Crossing	Collin	Single Family	\$150,000
Prestwyck	Collin	Mixed Use	\$190,000
Oak Hollow	Collin	Single Family	\$100,000
Northpointe Crossing	Collin	Single Family	\$100,000
McKinney Greens	Collin	Single Family	\$150,000
The Dominion	Dallas	Single Family	\$250,000
Three Thousand Flora	Dallas	Multifamily	\$250,000
Residences at the Stoneleigh	Dallas	Condo	\$750,000
Mountain Creek	Dallas	Multifamily	\$225,000
Chateaus of Coppell	Dallas	Single Family	\$350,000
The Bridges at Preston Crossings	Parker	Single Family	\$250,000
*Winn Ridge	Denton	Single Family	\$250,000
*Sutton Fields	Denton	Single Family	\$350,000
*Hillstone Pointe	Denton	Single Family	\$250,000
*Northlake Estates	Denton	Single Family	\$300,000
*Creeks of Legacy	Denton/Collin	Single Family	\$350,000
University Place	Dallas	Single Family	\$450,000
*Lakewood Hills	Denton	Single Family	\$450,000
Steeplechase	Denton	Single Family	\$500,000
*Mercer Crossing	Dallas	Mixed Use	\$350,000
*Ownsby Farms	Collin	Single Family	\$300,000
*Anna Hurricane Creek	Collin	Single Family	\$300,000
*Chalk Hill	Collin	Single Family	\$300,000
Windsor Hills	Dallas	Single Family	TBD
Walden Pond	Kaufman	Single/Multifamily	TBD
Mobberly	Denton	Single Family	TBD
*Whitewing	Collin	Single Family	TBD
*NRH	Tarrant	Mixed Use	\$300,000
Denton - Kings Ridge	Denton	Single/Multifamily	\$250,000
Collin Creek Mall	Collin	Mixed Use	\$400,000
Dove Creek	Collin	Single Family	\$275,000
Preston Hills	Collin	Single Family	\$400,000
*Polo Ridge	Kaufman	Single Family	\$350,000
Founders Park	Tarrant	Single/Multifamily	300,000
Barcelona	Collin	Single Family	\$350,000
Bloomridge	Collin	Single Family	\$300,000
Erwin Farms	Collin	Single Family	\$350,000
Enchanted Creek	Collin	Single Family	\$300,000
Alpha Ranch	Wise/Denton	Single Family	\$225,000
Bear Creek	Dallas	Single Family	\$250,000
Wade Settlement	Collin	Single Family	\$350,000
Falls of Prosper	Collin	Single Family	\$400,000
*Iron Horse	Dallas	Mixed Use	\$250,000

* — developments utilizing public improvement districts

Executive Biography

Mehrdad Moayedí is the President and Chief Executive Officer of CADG. Mr. Moayedí has more than twenty-five years of direct experience in the development industry. With a background in construction and real estate, Mr. Moayedí employs a comprehensive approach to each CADG development. Mr. Moayedí has extensive knowledge of the interconnection of all parts of residential real estate development.

Before forming JBM Development in 1986, Mr. Moayedí completed several construction and fee development projects in Northeast Tarrant County, Texas subdivisions as well as various construction and remodeling projects. JBM Development, along with Centurion American Custom Homes, formed CADG in 1990. The company has become broadly diversified, with residential developments ranging from upscale high-rise residential towers to affordable housing communities for first-time home buyers.

History and Financing of the District

Acquisition On April 1, 2019, the Developer acquired the property within the District under the terms of a purchase contract for an aggregate purchase price of \$4,500,000.

Acquisition and Development Financing. In connection with the acquisition and development of the land within the District, the Developer obtained a loan (the “Acquisition and Development Loan”) from TREZ Capital (2015) Corporation (the “Lender”) in the amount of \$7,122,930 made pursuant to a Loan Agreement dated April 1, 2019 (the “Acquisition and Development Loan”). The Acquisition and Development Loan has an outstanding principal balance of \$3,475,222.36 as of April 11, 2019. The Acquisition and Development Loan bears interest at the higher of (i) the rate of 10% per annum or (ii) a floating rate of prime plus 4.5% per annum, or the maximum rate allowed by law. Payments of interest under the Acquisition Loan are due monthly with principal payments due and payable as follows: the first principal payment of \$1,900,000 due and payable June 30, 2019, the second principal payment of \$2,800,000 due and payable June 30, 2020, the third principal payment of \$750,000 due and payable September 30, 2020, and thereafter a principal payment of \$750,000 due and payable every ninety days until maturity. The Acquisition and Development Loan matures on April 1, 2021. **[NEED WRITTEN CONSENT OF TREZ FOR PID IN ACCORDANCE WITH LOAN AGREEMENT SECTION 4.08]**

The Acquisition and Development Loan is secured by a first lien deed of trust on all property within the District (except for property released from such deed in connection with the delivery of lots pursuant to the Merchant Builder Lot Purchase and Sale Agreements), and is personally guaranteed by Mehrdad Moayedí.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Acquisition and Development Loan to the assessment liens on the property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessment will have priority over the lien on the property within the District, securing the Acquisition and Development Loan.

THE PID ADMINISTRATOR

The Town has selected P3Works, LLC as the initial PID Administrator. Prior to delivery of the Bonds, the Town will enter into an agreement for administration of the District the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing special taxing district services relating to the formation and administration of public improvement districts, and is based in Keller, Texas.

The PID Administrators duties will include:

- Preparation of the annual update to the Service and Assessment Plan

- Preparation of Assessment Roll for county billing and collection
- Establishing and maintaining a database of all County Parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquires
- Determination of prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the PID Administrator as the PID Administrator for the Town, and has been included in reliance upon the authority of such firm as an expert in the field of development planning and finance.

APPRAISAL OF PROPERTY WITHIN THE DISTRICT

The Appraisal

General. **[WILL BE UPDATED BASED ON APPRAISAL]** Integra Realty Resources – DFW (the “Appraiser”), prepared an appraisal report for the Town dated _____ and effective as of _____, based upon a physical inspection of the District (the “Appraisal”). The Appraisal was prepared at the request of the Town. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX F — Appraisal of the District.”

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in the District under the hypothetical conditions that the Authorized Improvements are completed and that the District is developed into 130 lots, with 116 being 50’ lots, and 14 being 60’ lots, which are expected to be completed by April 2020. See “THE AUTHORIZED IMPROVEMENTS.” The Appraisal does not reflect the as-is condition of the District as the Authorized Improvements have not yet been constructed. Moreover, the Appraisal does not reflect the value of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for the District. See “APPENDIX F — Appraisal of the District.”

The value estimate for the Assessed Property within the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of _____ is \$ _____.

None of the Town, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness assumptions or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and the Town, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

Prospective investors should read the complete appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached as APPENDIX F hereto.

BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the Town to pay debt service on the Bonds as due is subject to various factors that are beyond the Town's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the Town, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the Town, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the Town or the Town's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The Town has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Assessment Limitations

Annual Installments of Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal

amounts of Bonds maturing in each year, the annual payment of the reimbursement obligations due under the Reimbursement Agreement, and the annual collection costs for such year. See “ASSESSMENT PROCEDURES” herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the Town has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, § 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code § 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights was claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it owned all property within the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the Town.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the Town to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the Town to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Risks Related to the Residential Real Estate Market

In prior years, the real estate market experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, which served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market difficult. A similar downturn, or other downturn in the real estate markets could affect the timing of the sale of residential homes within the District. These downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the Town, the Town's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

Loss of Tax Exemption

The Indenture contains covenants by the Town intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Town in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Assessments and the ability of the Town to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund” herein.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The Town has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the Town is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT – Environmental” for discussion of the Phase I ESA performed on certain property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee, upon the written request of the owners of not less than fifty-one percent (51%) in principal amount of the Bonds then outstanding under the Indenture shall proceed, to protect and enforce the rights of the bondholders under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the

enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Town's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Town. In this regard, should the Town file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the Town to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the Town to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

Because it is unclear whether the Texas Legislature has effectively waived the Town's sovereign immunity from a suit for money damages in the absence of Town action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the Town for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the Town under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Town. The Town is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The Town may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its

creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the Town decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the Town would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the Town is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the Town's debt.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Expected Build-Out of the Development" herein.

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Dependence Upon Developer

The Developer, as the owner of all the proposed Assessed Property within the District, will have the obligation for payment of the total Assessments in the District. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the Town to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are the land within the District, related permits and development rights and minor operating accounts.

The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District also consists of proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the Town to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the Town will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Authorized Improvements within the District. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Authorized Improvements, and be reimbursed in accordance with the Construction, Funding and Acquisition Agreement. See "THE AUTHORIZED IMPROVEMENTS — General" and "THE DEVELOPMENT — Development Plan." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. However, the completion of the Development is dependent upon the receipt of funds from the Developer in addition to proceeds of the Bonds. In addition, payment of the Assessments on the Assessed Parcels will initially be the responsibility of the Developer as the initial owner of the Assessed Parcels.

Exercise of Third Party Property Rights

As described herein under "THE DEVELOPMENT — Existing Mineral Rights, Easements and Other Third Party Property Rights", third parties hold title to certain Third Party Rights applicable to real property within and around the District, including reservations of mineral rights and royalty interests and easements, pursuant to various instruments in the chain of title for various tracts of land within and around the District.

The Developer does not expect the existence or exercise of such Third Party Property Rights or other third party real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments. However, none of the District, the Town's Financial Advisor, the Underwriter, the Developer or P3Works, LLC provide any assurances as to such Developer expectations.

Potential Future Changes in State Law Regarding Public Improvement Districts

In October 2017, the 85th Texas Legislature House of Representatives and the 85th Texas Legislature Senate issued interim charges to the 85th Texas Legislature House Committee on Special Purpose Districts and the 85th Texas Legislature Senate Intergovernmental Relations Committee (collectively, the "Interim Committees"), respectively, requesting the study of special purpose districts and potential bond issuance reforms. The charges to the Interim Committees included review, hearings and testimony related to changes to and oversight of bonds secured by special assessments.

In December 2018, the 85th Texas Legislature House Committee on Special Purpose Districts released its Interim Report to the 86th Texas Legislature (the "House SPD Report"). The House SPD Report recommended that a Senate committee substitute to a bill proposed during the 82nd Texas Legislature in 2011, HB 1400 (the "HB 1400 Committee Substitute") which set forth a tiered system for the findings required by a county or municipality prior to the issuance of bonds, be resurrected and re-examined in order to provide oversight for assessment. Under the HB 1400 Committee Substitute:

- Prior to the issuance of bonds or obligations wholly or partly payable from or secured by assessments, the governing body of a municipality with a population of 250,000 or less or the governing body of a county with a population of 1 million or less issuing the bonds or obligations must find and determine the following:
 - o construction of all underground water, wastewater, and drainage facilities and roadways to serve the real property liable for assessments necessary to support the payment of the bonds or obligations is at least 95 percent complete; and

- o construction of at least 25 percent of the houses or other buildings on the real property liable for assessments and necessary to support the bonds or obligations has been completed.

- Prior to the issuance of bonds or obligations wholly or partly payable from or secured by assessments, a municipality with a population of more than 250,000 or a county with a population of more than 1 million issuing the bonds or obligations must obtain an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property liable for assessments and necessary to support the payment of the bonds or obligations.

The findings of the House SPD Report suggested committee support applying standards similar to those applied by the Texas Commission of Environmental Quality (the “TCEQ”) to bonds issued by municipal utility and other independent special purpose districts to bonds issued by cities and counties under the PID Act.

In December 2018, the 85th Texas Legislature Senate Intergovernmental Relations Committee released its Interim Report to the 86th Texas Legislature (the “Senate IGR Report”). The Senate IGR Report found that, based on testimony received by the committee, standards imposed by cities relating to the issuance of assessment-backed public improvement district bonds exceeded the standards applied by the TCEQ to bonds issued by municipal utility and other independent special purpose districts. The Senate IGR Report did not recommend any further action to the 86th Texas Legislature relating to assessment backed bonds.

The Texas Legislature convenes in odd numbered years, and the 86th Texas Legislature convened on January 8, 2019. The House of Representatives of the 86th Texas Legislature did not convene a House Special Purpose Districts Committee, and instead transferred portions of its jurisdiction to the 86th Texas Legislature House Committee on Natural Resources and the 86th Texas Legislature House Committee Urban Affairs. The Senate of the 86th Texas Legislature has convened the Intergovernmental Relations Committee. As of the date hereof, no legislation has been introduced in the 86th Texas Legislature which proposes the provisions of the HB 1400 Committee Substitute. However, it is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during the 86th Legislative Session or any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the appraiser’s forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser’s, Underwriter’s and Town’s control, as well as certain factual matters. Furthermore, the Appraiser’s analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates

Investigation of United Development Funding. Mehrdad Moayed through his company, Centurion, and various subsidiaries, is involved in the development of master planned residential community and mixed use projects. Such projects have previously been developed using funding provided by various entities associated with

United Development Funding (“UDF”), including United Development Funding IV, a publicly traded real estate investment trust, (“UDF IV”).

Following a series of allegations by Kyle Bass of Hayman Capital Management, L.P., that UDF IV is a Ponzi scheme, UDF has come under federal investigation. On February 18, 2016, the Federal Bureau of Investigation (the “FBI”) raided the headquarters of UDF in Grapevine, Texas, issued subpoenas to UDF executives, and removed materials from the UDF offices. No representations or assurances can be made with respect to the outcome of the FBI’s investigation of UDF. The Developer, the Town and the Underwriter can make no prediction as to the ultimate result of the FBI investigation into UDF or, if such enforcement charges are brought, the outcome thereof, or the affect or the result, if any, the investigation or enforcement may have on the Developer or the Developer’s ability to continue funding the Development.

In connection with governmental investigations of UDF (the “UDF Investigations”), Centurion and certain of its employees were contacted in mid-2016 to provide certain information to such governmental fact-finders as a part of an information gathering process on the investigation of UDF. Centurion and its employees fully complied with the information gathering process. Neither Centurion nor any of its employees or affiliates have received any information indicating that they are either targets or subjects of any governmental investigation.

Throughout 2016 through 2018, the Centurion entities associated with the Moayedí UDF Projects have refinanced a portion of the loans made by UDF with financial entities unrelated to UDF and sold certain land holdings financed by loans from UDF and paid off the related UDF loans with the proceeds of such sales. As of December 31, 2018, the outstanding balance of loans made by UDF to Centurion entities associated with the Moayedí UDF Projects is approximately \$733,000,000. In addition, Moayedí’s personal exposure to the UDF lending arrangements for the Moayedí UDF Projects is limited to \$10,000,000 in the aggregate based on a personal guarantee. Such guarantee may be called upon in the event of a default under the UDF lending arrangements for the Moayedí UDF Projects.

No assurances can be given as to the result of the UDF Investigations or any charges related thereto or the impact, if any, of such result on Moayedí, the operations of Centurion, the Developer’s ability to continue funding the Development.

Public Finance Authority Statler Hilton & Dallas Central Library Bonds (the “Statler Bonds”). An affiliate of Centurion, Commerce Statler Development, LLC (the “Centurion Affiliate”), is the developer of the Statler Hilton and Dallas Central Library redevelopment project in Dallas, Texas. The Centurion Affiliate entered into a transaction pursuant to which the Centurion Affiliate monetized a grant from the City of Dallas, which grant was to be funded through a designated portion of ad valorem tax revenues generated in a tax increment reinvestment zone located in the City of Dallas (the “TIF Grant”). In connection with the monetization transaction, the Public Finance Authority (Wisconsin) issued its \$26,533,298.50 Tax Increment Finance Grant Revenue Bonds (Statler Hilton & Dallas Central Library), Series 2016 (the “Statler Bonds”) secured by an assignment of revenues from the TIF Grant. In January 2017, the IRS commenced an audit of the Statler Bonds (the “Statler Audit”), and on July 17, 2017, the Public Finance Authority received a Form 5701-TEB, Notice of proposed Issue (the “Notice”) that contained the proposed conclusion of the IRS that the interest on the Statler Bonds is not excluded from gross income for federal income tax purposes. The Public Finance Authority is appealing the IRS’ conclusion, but no assurance can be given regarding the outcome of such appeal. In connection with the Statler Audit, Centurion and the Centurion Affiliate received, responded to, and complied with certain information requests from the IRS.

While the Developer and the Centurion Affiliate are under the common control of Centurion, the Centurion Affiliate does not own property in the District and is not associated with the Development or with the Bonds; however, the Developer, the Town, and the Underwriter can make no prediction as to the ultimate result of the Statler Audit, or the impact, if any, of the Statler Audit may have on the Developer or the Developer’s ability to continue funding the Development.

Litigation Involving Developer Principal And Affiliates Relating To Development Projects.

Westlake Entrada Project. Certain separate affiliates of Centurion owned or controlled by Mehrdad Moayedí (the “Centurion Entrada Entities”) are the principal developers of a mixed use project in Westlake, Texas,

known as Entrada (the “Entrada Project”). Funding for the Entrada Project included, among other items in the capital stack, moneys obtained by the Centurion Entrada Entities through the EB-5 program and Public Improvement district bonds issued by the Town of Westlake. In August 2018, a minority owner of one Centurion Entrada Entity, acting through the corporate entity FZ WLRW, LLC (the “Entrada Plaintiff”), brought suit (the “Entrada Suit”) against Centurion, the Centurion Entrada Entities, Mehrdad Moayed (collectively, the “Centurion Entrada Defendants”) and other parties involved in structuring the financing of the Entrada Project (the “Entrada Financing parties”) in the District Court in Tarrant County, Texas in the 342nd Judicial District (Cause No. 342-302221-18). The Entrada Plaintiff alleges that Centurion wrongfully terminated the Entrada Plaintiff as manager of the Entrada Project, that development of the Entrada Project has slowed due to mismanagement of the Entrada Project, and that the Centurion Entrada Entities have misused EB-5 loan funds and diverted funds from the Town of Westlake Public Improvement district bonds to other projects. The Entrada Suit sets forth claims of fraud, fraudulent inducement, breach of fiduciary duty, and aiding and abetting breach of fiduciary duty as a result of such actions against the Centurion Entrada Defendants and the Entrada Financing parties relating to the Entrada Project. The Centurion Entrada Defendants have denied the claims of the Entrada Plaintiff in court filings relating to the Entrada Suit. Discovery motions continue to be served in the Entrada Suit and a trial date has initially been set for August 2019.

While the Developer and the Centurion Entrada Entities are under common control of Centurion, the Centurion Entrada Entities do not own property in the District and are not associated with the Development or with the Bonds; however, the Developer, the Town, and the Underwriter can make no prediction as to the ultimate result of the Entrada Suit, or the impact, if any, of the Entrada Suit may have on the Developer or the Developer’s ability to continue funding the Development.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Town, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the Town will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See “APPENDIX D – FORM OF OPINION OF BOND COUNSEL.”

In rendering its opinion, Bond Counsel to the Town will rely upon (a) certain information and representations of the Town, including information and representations contained in the Town’s federal tax certificate, and (b) covenants of the Town contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the Town to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the Town is conditioned on compliance by the Town with such requirements, and Bond Counsel to the Town has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Town with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Town as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local And Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the Town under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the Town. Winstead PC serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The Town will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the Town. The Town will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the Town under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the last paragraph thereof), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology," and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE" (except for the subcaption "The Town's Compliance with Prior Undertakings" and "The Developer"), "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The Town

At the time of delivery and payment for the Bonds, the Town will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the Town affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in

accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the Town contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the Town or its authority with respect to the Bonds or any action of the Town contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Construction, Funding and Acquisition Agreement, the Development Agreement, the Reimbursement Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

For a description of litigation and other matters related to affiliated entities of CADG, see “BONDHOLDERS RISKS — Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates.”

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the Town or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the Town and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the Town would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The Town

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Town, P3Works, LLC (the “PID Administrator”), and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the Town (collectively, the “Town Reports”). The specific nature of the information to be contained in the Town Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the Town to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Town has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of the Issuer. The Town has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The Town makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Town disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The Developer

The Developer, the PID Administrator, and U.S. Bank National Association, as dissemination agent, will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of the Developer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Authorized Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of the Developer.” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Disclosure Agreement of the Developer is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the PID Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the Town at a purchase price of \$ _____ (the par amount of the Bonds, less a reoffering discount of \$ _____ less an underwriting

discount of \$_____, which includes Underwriter's Counsel's fee of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Town assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Under the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State that have adopted investment policies and guidelines in accordance with the PFIA, the Bonds may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See "NO RATING" above. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits only to the extent of their market value. No review by the Town has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The Town made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The Town invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Town Council. Both Texas law and the Town's investment policies are subject to change.

Under Texas law, the Town is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) certificates of deposit and share certificates (i) issued by or

through an institution that either has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for Town deposits, or (ii) where (a) the funds are invested by the Town through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the Town as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the Town; (b) the broker or the depository institution selected by the Town arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Town; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the Town appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Town with respect to the certificates of deposit; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the Town, held in the Town's name, and deposited at the time the investment is made with the Town or with a third party selected and approved by the Town and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (10) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (12) through (14) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Town, held in the Town's name and deposited at the time the investment is made with the Town or a third party designated by the Town; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (12) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7, and (14) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The Town may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The Town may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Town retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Town must do so by order, ordinance, or resolution. The Town is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the Town are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the Town or a third party designated by the Town; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the Town is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for Town funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All Town funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, Town investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the Town shall submit an investment report detailing: (1) the investment position of the Town, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest Town funds without express written authority from the Town Council.

Under Texas law the Town is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the Town to disclose the relationship and file a statement with the Texas Ethics Commission and the Town Council; (4) require the registered principal of firms seeking to sell securities to the Town to: (a) receive and review the Town’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Town and the business organization that are not authorized by the Town’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Town’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the Town’s investment policy; (6) provide specific investment training for the officers of the Town; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually

review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Town.

INFORMATION RELATING TO THE TRUSTEE

The Town has appointed U.S. Bank National Association, Dallas, Texas, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the information contained in the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Town of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Town. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.usbank.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the Town's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the Town or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Authorized Improvements, the Development and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — The Development Plan," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS," (only as it pertains to the Developer, the Authorized Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "CONTINUING DISCLOSURE — The Developer's Compliance with Prior Undertakings" has been provided by the Developer.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – DFW, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the Town learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the Town will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the Town to so amend or supplement the Limited Offering Memorandum will terminate when the Town delivers the Bonds to the Underwriter, unless the Underwriter notifies the Town on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the Town's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the Town delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE TOWN DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

By resolution, the Town Council approved the form and content this Preliminary Limited Offering Memorandum, and the Town Council authorized this Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE TOWN AND SURROUNDING AREA

The following information has been provided for informational purposes only.

Historical Employment in Denton County (Average Annual)⁽¹⁾

	Average Annual ⁽¹⁾				
	2019 ⁽²⁾	2018	2017	2016	2015
Civilian Labor Force	494,548	482,610	471,677	452,182	428,863
Total Employed	478,422	467,289	455,924	436,692	413,638
Total Unemployed	16,126	15,321	15,753	15,490	15,225
Unemployment Rate	3.3%	3.2%	3.3%	3.4%	3.6%

⁽¹⁾ Source: Texas Workforce Commission.

⁽²⁾ Data through February, 2019.

Major Employers in Surrounding Area

The major employers in the City of Denton, Texas (approximately 8 miles from the Town) are set forth in the table below.


<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
University of North Texas	Higher Education	8,738
Denton ISD	Education	4,417
Peterbilt Motors Company	Manufacturer	2,314
Denton State Living Center	MHMR Facility	1,700
Texas Woman's University	Higher Education	1,672
Denton County	Government	1,581
City of Denton	Government	1,383
Texas Health Presbyterian	Healthcare	1,076
Denton Regional Medical	Healthcare	950
Sally Beauty Holdings, Inc.	Distribution	950

Source: Municipal Advisory Council of Texas

Surrounding Economic Activity

The major employers in municipalities surrounding the Town are set forth in the table below.

City of Denton Approximately 8 miles from the City		City of Lewisville Approximately 6 miles from the City		City of Grapevine Approximately 13 miles from the City		City of McKinney Approximately 24 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
University of North Texas	8,738	JP Morgan Chase	2,878	Dallas/Ft. Worth International Airport	14,300	Raytheon Space & Airborne Systems	2,725
Denton Independent School District	4,417	Lewisville Independent School District	2,852	Gamestop	2,400	Collin College	2,631
Peterbilt Motors - Headquarters & Plant	2,314	Vista Ridge Mall	1,500	Gaylord Texan Resort & Convention Center	2,000	McKinney Independent School District	2,500
Denton State Supported Living Center	1,700	Xerox	823	Grapevine-Colleyville ISD	1,900	Torchmark/United American	1,640
Texas Women's University	1,672	Medical Center of Lewisville	815	City of Grapevine	700	Encore Wire Corp.	1,350
City of Denton	1,630	City of Lewisville	781	Baylor Medical Center	700	City of McKinney	1,271
Denton County	1,581	Bed Bath & Beyond	700	Great Wolf Lodge	600	Medical Center of McKinney	1,000
Federal Emergency Management Agency	1,100	Wal-Mart	685	Electronics Boutique	500	Baylor Medical Center	738
Texas Presbyterian Hospital	1,076	TIAA-CREF	600	Pavestone Manufacturing	400	Timber Blinds	450
Columbia Medical Center of Denton	950	SYSCO	563	Texas Toyota	400	Watson Chain	350



City of Plano Approximately 20 miles from the City	
Employer	Employees
Capital One Finance	5,500
Bank of America Home Loans	3,400
HP Enterprise Services	3,250
Ericsson	3,200
Toyota Motor North America, Inc.	2,900
Frito-Lay	2,500
J.C. Penny Co., Inc.	2,420
Dell Services	2,250
Texas Health Presbyterian Hospital Plano	1,680
Medical Center of Plano	1,600

City of Dallas Approximately 27 miles from the City	
Employer	Employees
Dallas Independent School District	19,740
City of Dallas	12,538
The University of Texas SW Medical Center	11,861
Texas Instruments, Inc.	10,961
Parkland Health System	9,968
Southwest Airlines Co.	9,931
Baylor Health Care System	9,749
AT&T Inc.	9,563
Dallas County	7,162
United States Postal Service	6,927

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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APPENDIX F

APPRAISAL OF THE DISTRICT

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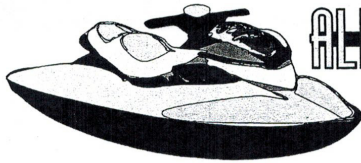
APPENDIX G

FORM OF CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

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Item Attachment Documents:

21. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute an agreement services by and between the Town of Hickory Creek, Texas and Allstar Watersports; and providing an effective date.



ALLSTAR WATERSPORTS
Boat & Jetski Rental

2828 FOREST LN SUITE 2480
DALLAS TX 75234
(214)-730-3009
allstarwatersports@gmail.com
www.allstarwatersports.com

Town of Hickory Creek
1075 Ronald Reagan Ave
Hickory Creek, TX 75065

To Whom It May Concern:

RE: Request to launch at Arrow Head Park, Hickory Creek, TX

AllStar WaterSports is kindly requesting permission to launch our boats and jet skis at Arrow head park.

AllStar Water Sports has been in business for the past 12 years and has been launching at Lake park in Lewisville, TX. AllStar is requesting to launch at Arrow Head Park as there has been an increase of rental companies at lake park. The increase has caused congestion and delays. Lake Park has also been experiencing frequent flooding issues that caused the boat ramp to be close.

If granted permission, AllStar Water Sports will adhere to all rules & regulations set forth by the park officials. We believe that this partnership will be of mutual benefit to both parties.

Allstar would like to thank you for your time and consideration with this request. We look forward to hearing form you with some positive feedback.

Sincerely,

Fatima Diakite.

**TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-__**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, HEREBY AUTHORIZING THE MAYOR OF THE TOWN OF HICKORY CREEK, TEXAS, TO EXECUTE AN AGREEMENT BY AND BETWEEN THE TOWN OF HICKORY CREEK, TEXAS AND ALLSTAR WATERSPORTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek (the “Town”), Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to enabling legislation of the State of Texas; and

WHEREAS, the Town Council has been presented with a proposed Agreement by and between the Town of Hickory Creek, Texas and Allstar Watersports (hereinafter the "Agreement") for the use of the Town’s public property to access Lake Lewisville and certain economic development matters, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the Town Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor shall be authorized to execute them on behalf of the Town of Hickory Creek.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Hickory Creek, Texas:

Section 1: That the Mayor of the Town of Hickory Creek, Texas, is hereby authorized to execute on behalf of the Town of Hickory Creek, Texas, the Agreement attached hereto as Exhibit A.

Section 2: This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek, Texas

AGREEMENT

THIS AGREEMENT is made and entered into this the ____ day of _____, 2019, by and between the **Town of Hickory Creek**, a Texas Type-A municipality (the “Town”) and **AllStar Watersports**, a Texas limited liability company operating with EIN #27-0732179 (“Operator;” and collectively the “Parties”).

WITNESSETH:

WHEREAS, Operator seeks to utilize certain parkland within the Town, which is under the control and supervision of the Town (the “Property”);

WHEREAS, the Town desires to enter into an Agreement with Operator in the interest of promoting local business and economic development for the community at large to enjoy the use of the Town’s public property and access to Lake Lewisville;

WHEREAS, this Agreement is for the commercial operations of Operator’s delivery of rental watercrafts only to clients with prior paid reservations;

WHEREAS, no other business operations, transactions or solicitation of business is allowed;

WHEREAS, the Town may revoke this permit without notice to Operator in the event Operator violates any provision of this Agreement.

I.

NOW, THEREFORE, IN CONSIDERATION of the foregoing, and for other good and valuable consideration described herein, the Parties agree that Operator shall:

- 1.1 Obtain a permit related to the commercial use of boat ramps and payment of any applicable fees.
- 1.2 Provide the Town with proof of adequate commercial liability insurance coverage with a minimum of \$1 million liability coverage.
- 1.3 Provide business name, Federal Tax Identification Number, State Tax Identification Number, business address, and business phone numbers to the Town. Any changes to this information must be provided to the Town within 5 business days.
- 1.4 Provide 24-hour emergency contact information to the Town.
- 1.5 Conduct operations in Point Vista Park or alternatively in Arrowhead Park only in case where water level is high in Lake Lewisville or Point Vista Park is not accessible for use, unless prior written permission has been obtained from the Town. Any request for alternate locations must be submitted to the Town Administrator, or his designee, in writing, a minimum of 5 business days prior to the date requested.

- 1.6 Conduct operations during posted park hours only. There shall be no overnight storage of vehicles or equipment in the park, on its grounds, or on adjacent waters.
- 1.7 Launch all commercially owned equipment in an expedient manner and clear boat launch ramp for public use.
- 1.8 Dry dock all rental equipment at bank. There shall be no staging at courtesy dock before rental client's arrival.
- 1.9 Tie to courtesy dock for no more than **fifteen (15)** minutes to load client's personal supplies.
- 1.10 Communicate any and all operations instructions to clients while dry docked or during the initial rental transaction as to not tie up the courtesy dock for an extended period of time.
- 1.11 Not set up business operations in the park or on its grounds, other than the storage and delivery of rental equipment described above.
- 1.12 Not allow more than one piece of rental equipment to be tied to courtesy dock at any given time thereby allowing public access.
- 1.13 Not park vehicles and trailers in "no parking" areas blocking roadway or creating other hazards.
- 1.14 Register all tow vehicles and trailers with the Town and display a valid annual Park Pass. Unattached trailers shall be allowed with a valid annual Parking Pass, issued by the Town, provided such vehicles are stored in the designated area. Fees for all Passes shall be those established for normal use by the Town Council.
- 1.15 Park all commercial vehicles or equipment at the farthest northwest end of the parking lot as directed by the Town.
- 1.16 Comply with all provisions of the Town of Hickory Creek's Code of Ordinances.

II. Term

This Agreement shall commence on the date executed by each of the parties hereto and shall terminate one (1) year from the date of approval. Any additional term(s) shall be at the sole discretion of the Town Council.

III. Governmental Immunity

3.1 If Operator violates any of the above-referenced obligations, the Town may, upon providing written notice thereof and reasonable time to resolve any breach, revoke the permit granted herein without further notice.

3.2 The Town is a political subdivision of the state and enjoys governmental immunity. By entering into this Agreement, Town does not consent to suit, or waive its governmental immunity or the limitations as to damages under the Texas Tort Claims Act.

IV. General Provisions

4.1 **Amendments.** No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

4.2 **Choice of Law and Venue.** This Agreement has been made under and shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Denton County, Texas, United States of America.

4.3 **Authority to enter into Agreement.** Each party represents that it has the full power and authority to enter into and perform this Agreement. The person executing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The person executing this Agreement on behalf of Operator represents that he or she is authorized to sign on behalf of Operator and Agrees to provide proof of such authorization to the Town upon request.

4.4 **Agreement read.** The Parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

4.5 **Notice.** All notices and documents required herein shall be sent and provided to the Parties at the contact information listed below.

OPERATOR: 2828 Forest Lane
Dallas Texas 75234
Attn.: Fatima Diakite
608-772-5393 (cell)
allstarwatersports@gmail.com

TOWN: Office of the Town Manager
Town of Hickory Creek
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065

With copies to: Dorwin Sargent, III, Town
Attorney Hayes, Berry, White &
Vanzant, LLP 512 W. Hickory,
Suite 100
Denton, Texas 76201
855.812.4757 (Facsimile)

All notices and documents shall be deemed received when mailed with sufficient postage and deposited in a regular mailbox of the United States Post Office. The Parties may change addresses upon thirty (30) days' written notice sent certified mail, return receipt requested.

IN WITNESS, WHEREOF, the Parties enter into this Agreement on the _____ day of _____, 2019.

ALLSTAR WATERSPORTS

By: _____
Fatima Diakite, Managing Member

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

Before me, a Notary Public in and for the State of Texas, on this day, personally appeared Gabriel G. Angeli, proved to me through his Texas Driver License #0658979 to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity so stated, and has express authority to do so.

Given under my hand and seal of office this _____ day of _____, 2019.

Notary Public, State of Texas

TOWN OF HICKORY CREEK, TEXAS

By: Lynn C. Clark, Mayor
Town of Hickory Creek

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

Before me, a Notary Public in and for the State of Texas, on this day, personally appeared Lynn C. Clark, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2019.

Notary Public, State of Texas

Item Attachment Documents:

22. Consider and act on a resolution of the Town Council of the Town of Hickory Creek, Texas, hereby authorizing the Mayor of the Town of Hickory Creek, Texas, to execute an agreement services by and between the Town of Hickory Creek, Texas and Watertoyz, LLC; and providing an effective date.

Watertoyz LLC

388 Crockett St., Lewisville, TX 75057
214-923-0710 📞 watertoyztx@gmail.com

May 15, 2019

Town of Hickory Creek Council

Hickory Creek, Texas

Dear Member of the Council:

Please accept this letter of application for a permit to operate a boat rental business in the Town of Hickory Creek's Lake Vista Park.

Over the years in the Dallas-Ft. Worth Metroplex, we have noticed that our residents and visitors alike have a limited opportunity to enjoy the Texas outdoors, and much of the opportunities for entertainment are limited to man-made structures, whether sports venues, movie theatres, or shopping centers.

However, as an avid sports enthusiast, I have noticed that there are many opportunities in the Metroplex to provide them whether as families or groups of friends to socialize and engage in activities that involve active participation in the outdoors. One of these opportunities is boating in the area lakes, especially Lake Lewisville/Lake Dallas.

Our vision is to convert the lake from a passive landmark limited for use by only those that are willing to make a substantial investment and significant time commitment for owning a watercraft and committing to all the obligations that come with it, and provide opportunities for people of all ages and limited budgets to join in the fun at the Lake, whether waterskiing, jet skiing, fishing or simply cruising around the Lake.

Watertoyz LLC is a recently formed company with leaders that have extensive knowledge of boating and who desire to extend an invitation to residents and visitors to the DFW Metroplex to come and enjoy a day of fun and relaxation in the outdoors right here in the Hickory Creek area.

In light of this opportunity, we are requesting that the Council grant us a permit to operate our business during the year 2019 at Point Vista Park, all pursuant to an agreement to be entered into with the Town of Hickory Creek.

Please let us know any concerns that you may have. We much appreciate your consideration and look forward to a productive relationship for years to come.

Sincerely,

Gabriel G. Angeli

**TOWN OF HICKORY CREEK, TEXAS
RESOLUTION NO. 2019-0521-__**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, HEREBY AUTHORIZING THE MAYOR OF THE TOWN OF HICKORY CREEK, TEXAS, TO EXECUTE AN AGREEMENT BY AND BETWEEN THE TOWN OF HICKORY CREEK, TEXAS AND WATERTOYZ, LLC; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek (the “Town”), Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with the provisions of the Texas Local Government Code and operating pursuant to enabling legislation of the State of Texas; and

WHEREAS, the Town Council has been presented with a proposed Agreement by and between the Town of Hickory Creek, Texas and WaterToyz, LLC (hereinafter the "Agreement") for the use of the Town’s public property to access Lake Lewisville and certain economic development matters, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the Town Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor shall be authorized to execute them on behalf of the Town of Hickory Creek.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Hickory Creek, Texas:

Section 1: That the Mayor of the Town of Hickory Creek, Texas, is hereby authorized to execute on behalf of the Town of Hickory Creek, Texas, the Agreement attached hereto as Exhibit A.

Section 2: This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas this 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek, Texas

AGREEMENT

THIS AGREEMENT is made and entered into this the ____ day of _____, 2019, by and between the **Town of Hickory Creek**, a Texas Type-A municipality (the “Town”) and **WaterToyz LLC**, a Texas limited liability company operating with EIN #82-5039899 (“Operator;” and collectively the “Parties”).

WITNESSETH:

WHEREAS, Operator seeks to utilize certain parkland within the Town, which is under the control and supervision of the Town (the “Property”);

WHEREAS, the Town desires to enter into an Agreement with Operator in the interest of promoting local business and economic development for the community at large to enjoy the use of the Town’s public property and access to Lake Lewisville;

WHEREAS, this Agreement is for the commercial operations of Operator’s delivery of rental watercrafts only to clients with prior paid reservations;

WHEREAS, no other business operations, transactions or solicitation of business is allowed;

WHEREAS, the Town may revoke this permit without notice to Operator in the event Operator violates any provision of this Agreement.

I.

NOW, THEREFORE, IN CONSIDERATION of the foregoing, and for other good and valuable consideration described herein, the Parties agree that Operator shall:

- 1.1 Obtain a permit related to the commercial use of boat ramps and payment of any applicable fees.
- 1.2 Provide the Town with proof of adequate commercial liability insurance coverage with a minimum of \$1 million liability coverage.
- 1.3 Provide business name, Federal Tax Identification Number, State Tax Identification Number, business address, and business phone numbers to the Town. Any changes to this information must be provided to the Town within 5 business days.
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- 1.6 Conduct operations during posted park hours only. There shall be no overnight storage of vehicles or equipment in the park, on its grounds, or on adjacent waters.
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- 1.14 Register all tow vehicles and trailers with the Town and display a valid annual Park Pass. Unattached trailers shall be allowed with a valid annual Parking Pass, issued by the Town, provided such vehicles are stored in the designated area. Fees for all Passes shall be those established for normal use by the Town Council.
- 1.15 Park all commercial vehicles or equipment at the farthest northwest end of the parking lot as directed by the Town.
- 1.16 Comply with all provisions of the Town of Hickory Creek's Code of Ordinances.

II. Term

This Agreement shall commence on the date executed by each of the parties hereto and shall terminate one (1) year from the date of approval. Any additional term(s) shall be at the sole discretion of the Town Council.

III. Governmental Immunity

3.1 If Operator violates any of the above-referenced obligations, the Town may, upon providing written notice thereof and reasonable time to resolve any breach, revoke the permit granted herein without further notice.

3.2 The Town is a political subdivision of the state and enjoys governmental immunity. By entering into this Agreement, Town does not consent to suit, or waive its governmental immunity or the limitations as to damages under the Texas Tort Claims Act.

IV. General Provisions

4.1 **Amendments.** No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

4.2 **Choice of Law and Venue.** This Agreement has been made under and shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Denton County, Texas, United States of America.

4.3 **Authority to enter into Agreement.** Each party represents that it has the full power and authority to enter into and perform this Agreement. The person executing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The person executing this Agreement on behalf of Operator represents that he or she is authorized to sign on behalf of Operator and Agrees to provide proof of such authorization to the Town upon request.

4.4 **Agreement read.** The Parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

4.5 **Notice.** All notices and documents required herein shall be sent and provided to the Parties at the contact information listed below.

OPERATOR: 388 Crockett Dr.
Lewisville, Texas 75057
Attn.: Gabriel G. Angeli
214-923-0710 (cell)
watertoyztx@gmail.com

TOWN: Office of the Town Manager
Town of Hickory Creek
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065

With copies to: Dorwin Sargent, III, Town
Attorney Hayes, Berry, White &
Vanzant, LLP 512 W. Hickory,
Suite 100
Denton, Texas 76201
855.812.4757 (Facsimile)

All notices and documents shall be deemed received when mailed with sufficient postage and deposited in a regular mailbox of the United States Post Office. The Parties may change addresses upon thirty (30) days' written notice sent certified mail, return receipt requested.

_____, 2019.

WATERTOYZ LLC

By: _____
Gabriel G. Angeli, Managing Member

THE STATE OF TEXAS §
COUNTY OF DENTON §

Before me, a Notary Public in and for the State of Texas, on this day, personally appeared Gabriel G. Angeli, proved to me through his Texas Driver License #0658979 to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity so stated, and has express authority to do so.

Given under my hand and seal of office this _____ day of _____, 2019.

Notary Public, State of Texas

TOWN OF HICKORY CREEK, TEXAS

By: Lynn C. Clark, Mayor
Town of Hickory Creek

THE STATE OF TEXAS §
COUNTY OF DENTON §

Before me, a Notary Public in and for the State of Texas, on this day, personally appeared Lynn C. Clark, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2019.

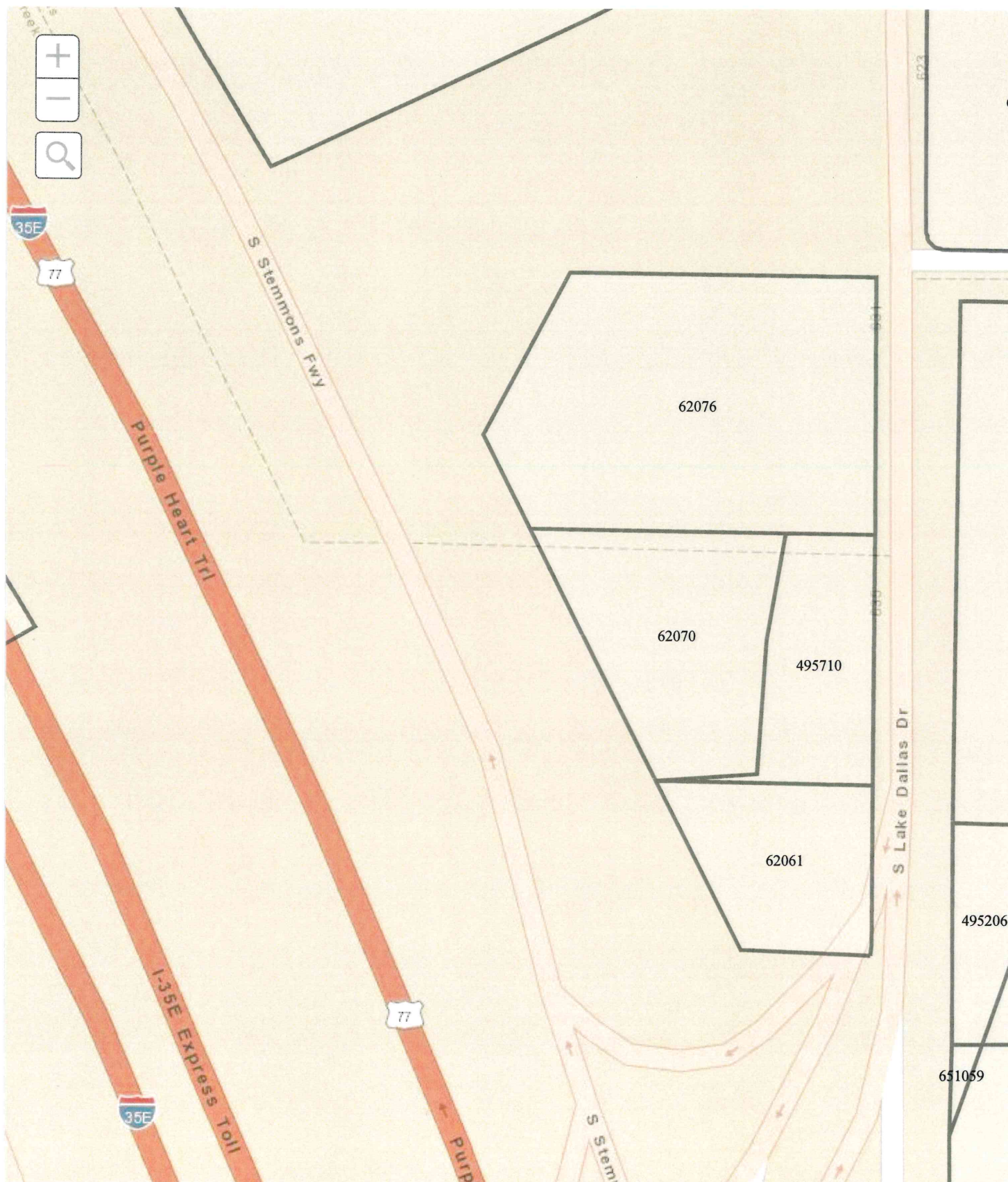
Notary Public, State of Texas

Item Attachment Documents:

23. Consider and act on a request from the City of Lake Dallas regarding the de-annexation of three properties legally described as A0284A Cobb, TR 63(PT), 0.3241 Acres; TR 63 (ROW), 0.2159 Acres; and TR 64,0.2066.

Denton CAD Webmap

Main DCAD Site



Item Attachment Documents:

24. Consider and act on a request from the City of Lake Dallas to increase Hickory Creek's contribution for the 2019 Lake Cities 4th of July Celebration.



212 Main Street · Lake Dallas, Texas 75065 · (940) 497-2226 · (940) 497-4485 Fax
www.lakedallas.com · lakedallas@lakedallas.com

May 6, 2019

John Smith
Town of Hickory Creek
1075 Ronald Regan Avenue
Hickory Creek, TX 75065

John,

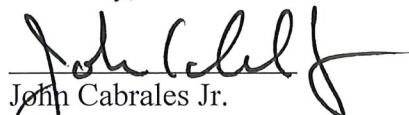
The planning has begun again for the Lake Cities 4th of July Celebration. This year we are on track for an even bigger and better celebration and are anticipating record crowds. This is a Lake Cities event and the City of Lake Dallas is again asking for the Town of Hickory Creek's support in 2019. It is only through the contributions of the Lake Cities, and business sponsors, that we are able to host such an event and fireworks show so I thank you very much!

I am asking again that you consider increasing your support this year to \$7,000. For the last six years, the Town of Hickory Creek has contributed \$4,000 towards the event. Last year, both the City of Corinth and the Town of Shady Shores increased their annual contribution to this event. You have also helped keep our public safety overtime cost down by allowing some of your police officers to help with the event. The celebration has continued to grow, but we hope to only have a slight increase in the total cost for the event from the \$46,874 for 2018 to an estimated \$48,300 for 2019. This does not take into account the in-kind costs to the City of Lake Dallas for personnel, including non-public safety staff members who are required to work the event. We also raised \$8,700 in sponsorships last year and are on track to raise \$10,000 from sponsors this year.

2018 Celebration Expenses:	\$46,874	2019 Celebration Expenses (estimate):	\$48,300
City of Lake Dallas:	\$20,238	City of Lake Dallas (estimate):	\$20,364
Town of Hickory Creek:	\$ 4,000	Town of Hickory Creek:	\$ 7,000
Sponsors:	\$ 8,700	Sponsors (estimate):	\$10,000

As you can see, your town's help is greatly needed. Together, we can continue to make the Lake Cities 4th of July Celebration something special for all of our residents, and others from around the Metroplex who come to see what the Lake Cities are all about! Thanks again for your support this year.

Sincerely,


John Cabrales Jr.
City Manager

Item Attachment Documents:

25. Consider and act on an ordinance of the Town Council of the Town of Hickory Creek, Texas, amending Article 1.10 Parks and Recreation; Article 4.04 Wrecker Service; Article 4.05 Alcoholic Beverages; Article A2.000 Business Related Fees; providing for incorporation of premises; providing findings; providing for amendment to the code of ordinances; providing a cumulative repealer clause; providing for savings; providing for severability; providing for penalty; providing for publication; providing for engrossment and enrollment; and providing and effective date.

TOWN OF HICKORY CREEK, TEXAS
ORDINANCE NO. 2019-0521-_____

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS, AMENDING ARTICLE 1.10 PARKS AND RECREATION; ARTICLE 4.04 WRECKER SERVICE; ARTICLE 4.05 ALCOHOLIC BEVERAGES; ARTICLE A2.000 BUSINESS RELATED FEES; PROVIDING FOR INCORPORATION OF PREMISES; PROVIDING FINDINGS; PROVIDING FOR AMENDMENT TO THE CODE OF ORDINANCES; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AND EFFECTIVE DATE.

WHEREAS, the Town of Hickory Creek, Texas, is A Type A General Law municipality located in Denton County, Texas created in accordance with the provisions of the Texas Local Government Code and the Texas Constitution and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Town Council is empowered under section 51.012 of the Local Government Code to adopt ordinances necessary for the government, interest, welfare, or good order of the municipality; and

WHEREAS, Texas Occupations Code Subchapter E provides for Local Regulation of Towing and Booting; and

WHEREAS, the Town Council does hereby find and determine that the adoption of this Ordinance is necessary for the government, interest, welfare and good order of the Town; and

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HICKORY CREEK, TEXAS:

SECTION 1.
INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2.
FINDINGS

After due deliberations the Town Council has concluded that the adoption of this Ordinance is in the best interest of the Town of Hickory Creek, Texas and necessary for the government, interest, welfare, and good order of the Town.

SECTION 3. AMENDMENTS

3.1 That the Town of Hickory Creek Code of Ordinances, Article 1.10 Parks and Recreation; Section 1.10.006 Fees for Use is hereby amended to read:

“(a) The following fees shall be paid to the Town prior to engaging the listed activity or using the listed facility:

- (1) Boat Ramp Daily Use Pass: \$10.00.
- (2) Boat Ramp Annual Use Pass for Hickory Creek Resident: \$35.00.
- (3) Boat Ramp Annual Use Pass for Non-Resident: \$60.00.
- (4) Boat Ramp Two Year Use Pass for Hickory Creek Resident: \$60.00.
- (5) Boat Ramp Two Year Use Pass for Non-Resident: \$110.00.
- (6) Day Use Vehicle Fee: \$2.00.
- (7) Day Use Annual Pass: \$20.00.
- (8) Daily Camp Site Use Fee: \$15.00.
- (9) Pavilion Rental Fee: \$75.00.
- (10) Pavilion Rental Cleaning Fee: \$50.00 (refundable if left in clean condition).”

3.2 That the Town of Hickory Creek Code of Ordinances, Article 4.04 Wrecker Service; Section 4.04.007 Fees Charged for Services; Bills is hereby amended to read:

“Tow Truck Registration; Tow Operator Registration; Fees; Fee Study

(a) All tow trucks that perform consent tows within the Town whose owner has a place of business within the Town are required to register with the Town.

(b) All tow trucks that perform non-consent tows in the Town are required to register with the Town.

(c) All drivers operating a tow truck in within the Town who performs a non-consent tow is required to obtain a permit from the Town. The permit fee for this permit is \$15.00.

(d) The maximum fees that may be charged in connection with a con-consent tow originating in the Town are:

- (1) \$255.00 for a car weighing up to 10,000 lbs.
- (2) \$357.00 for a car weighing more than 10,000 but less than 25,000 lbs.
- (3) \$459.00 per unit for cars weighing more than 25,000 lbs. with a \$918.00 total maximum.

(e) Tow Fee Study:

(1) Three or more towing companies performing, either alone or together, fifty (50) percent or more of the non-consent tows during the preceding calendar year may request a tow fee study. Said request must be made in writing to the police chief. The request must identify the specific fees requested to be reviewed and indicate the requestor's willingness to provide any necessary financial documentation that the Town may deem necessary to conduct the review.

(2) A non-refundable fee of five thousand dollars (\$5,000.00) in the form of a cashier's check payable to the Town must be forwarded to the police chief before the study will be undertaken. This fee is intended to defray the cost of the study.

(3) The tow fee study shall be performed at the direction of the police chief. The methodology used to conduct the study will be established by the finance department of the Town. The finance department shall determine what financial information is necessary to conduct the study, to include, but not limited to financial information requested from non-consent towing companies in the Town. Any and all towing companies joining in the request for a tow fee study must provide all requested financial information. Such information shall be kept confidential to the extent allowed by law.

(4) The tow fee study shall be completed within one hundred twenty (120) days of the date the deposit is paid, and all requested financial information is received, whichever is later.

(5) The findings of the tow fee study shall be presented to the Town Council. Based upon the results of the tow fee study, the Town Council may change the non-consent towing fees. The maximum fees must represent the fair market value of the services of a towing company performing non-consent tows in the Town.

(6) The Town is not required to conduct more than one tow fee study within a two-year time period, measured from the date the Town Council most recently considered a tow fee study.

(7) Nothing in this section shall preclude the Town from undertaking a tow fee study at its own discretion at any time.”

3.3 That the Town of Hickory Creek Code of Ordinances, Article 4.05 Alcoholic Beverages; Section 4.05.004 Pavilion Rental Permit at Arrowhead Park; Subsection (c) is hereby amended to read:

“(c) Permit processing fee; investigation of applicant. An application for a permit to be issued pursuant to this section shall be filed with the chief of police not later than the thirtieth (30th) day before the date scheduled for the commencement of the special event accompanied by a non-refundable permit processing fee equal to \$100.00. Upon the filing of an application for a permit and payment of the required permit processing fee, the chief of police shall investigate each applicant for a permit under this section and make a report to the town administrator before issuance of such permit.”

3.4 That the Town of Hickory Creek Code of Ordinances, Article 4.05 Alcoholic Beverages; Section 4.05.004 Pavilion Rental Permit at Arrowhead Park: Subsections (e) and (f) are hereby created and shall read:

“(e) Miscellaneous Fees. A holder of a permit issued under this Section must, in addition to any other fee required by this Code, pay to the Town:

(1) First Police Department Personnel:

- (A) \$300.00 for presence of two hours or less; and
- (B) \$50.00 per hour for every hour thereafter.

(2) Additional Police Department Personnel or Town Staff:

- (A) \$100.00 for presence of two hours or less; and
- (B) \$50.00 per hour for every hour thereafter.

(f) A permit issued under this Section is revoked by operation of law if the holder of said permit fails to pay a deposit for the expected fees required in this Section and elsewhere in this Code within ten (10) days of the date of issuance of the permit.”

3.5 That the Town of Hickory Creek Code of Ordinances, Appendix A Fee Schedule: Article A2.000 Business Related Fees: Section A2.200 Towing Service Permit Fee is hereby repealed.

3.6 That the Town of Hickory Creek Code of Ordinances, Appendix A Fee Schedule: Article A2.000 Business Related Fees: Section A2.300 Towing Service Fees is hereby repealed.

3.7 All other articles, chapters, sections, paragraphs, sentences, phrases and words are not amended but are hereby ratified and affirmed.

SECTION 4. **CUMULATIVE REPEALER CLAUSE**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided, however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and of that purpose the Ordinance shall remain in full force and effect.

SECTION 5.
SAVINGS CLAUSE

All rights and remedies of the Town of Hickory Creek, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting utility rates and fees which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 6.
SEVERABILITY

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the Town shall promptly promulgate new revised provisions in compliance with the authority's decisions or enactment.

SECTION 7.
PENALTY

If the governing body of the Town of Hickory Creek determines that a violation of this Ordinance has occurred, the Town of Hickory Creek may bring suit in a court of competent jurisdiction to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity.

Any person violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined, except as otherwise provided herein, in a sum not to exceed Five Hundred Dollars (\$500.00) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 8.
PUBLICATION CLAUSE

The Town Secretary of the Town of Hickory Creek is hereby directed to publish in the Official newspaper of the Town of Hickory Creek, the Caption, Penalty Clause, and Effective Date clause of this Ordinance for two (2) days as required by Section 52.011 of the Texas Local Government Code.

SECTION 9.
ENGROSSMENT AND ENROLLMENT

The Town Secretary of the Town of Hickory Creek is hereby directed to engross and enroll this Ordinance by copying the exact Caption, Penalty Clause, and Effective Date clause in the minutes of the Town Council of the Town of Hickory Creek and by filing this Ordinance in the Ordinance records of the Town.

SECTION 10.
EFFECTIVE DATE

This Ordinance shall become effective from and after its date of passage and publication in accordance with law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED by the Town Council of the Town of Hickory Creek, Texas
this 21st day of May, 2019.

Lynn C. Clark, Mayor
Town of Hickory Creek, Texas

ATTEST:

Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas

APPROVED AS TO FORM:

Dorwin L. Sargent, III, Town Attorney
Town of Hickory Creek, Texas